Richland Parish School Board

Rayville, Louisiana



Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 2 5 2012

Annual Financial Report

as of and for the year ended June 30, 2011

Richland Parish School Board Rayville, Louisiana

Annual Financial Report As of and for the Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

Board Members Richland Parish School Board Rayville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Richland Parish School Board as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Board, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2011 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of the audit.

The Management's Discussion and Analysis, the Schedule of Funding Progress, and the Budgetary Comparison Schedules as listed in the table of contents are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information, identified in the table of contents as supplemental information and the Schedule of Expenditures of Federal Awards, as required by OMB Circular A-133, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

ALLEN, GREEN & WILLIAMSON, LLP

goon, Suen & Williamson, LRP

Monroe, Louisiana December 30, 2011

Richland Parish School Board

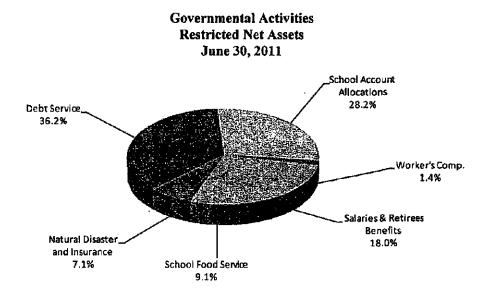
REQUIRED SUPPLEMENTAL INFORMATION:

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

This section of the Richland Parish School Board's annual financial report provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

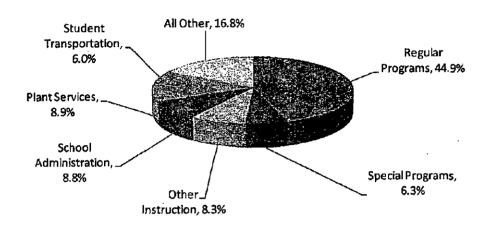
FINANCIAL HIGHLIGHTS

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation program (MFP) funding and cost reimbursement grants and federal revenues which are primarily cost reimbursement grants.



The assets of the Richland Parish School Board exceeded its liabilities at the close of the 2011-fiscal year by \$18.98 million (net assets). Of this amount, the unrestricted net assets had a deficit of \$1.55 million. The remaining net assets were \$13.23 million is invested in capital assets net of related debt, \$.1 million is for payment of worker's compensation, \$1.32 million is for payment of salaries, and retiree benefits, \$2.64 million is restricted for payment of long term debt, \$.66 million represents the fund balance maintained by School Food Service, \$2.06 million is restricted for school account allocations and \$.52 million is restricted for natural disaster and insurance.

Governmental Activities Net Cost of Services For the Year Ended June 30, 2011



Total gross spending for all programs was \$40.37 million, whereas the net cost for all programs was \$33.40 million. The majority of the School Board's local taxes and state MFP funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these six areas: regular programs \$14.99 million, special programs \$2.12 million, other instructional programs \$2.77 million, school administration services \$2.93 million, plant services \$2.98 million, and student transportation services \$2.00 million. The net cost of the remaining programs was \$5.61 million overall.

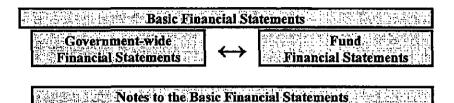
As provided by Senate Concurrent Resolution (SCR) 139, not less than 50% of the school district's increase in state MFP funding from implementation of Level 1 and Level 2 of the formula is to be used to enhance and supplement full-time certificated staff salaries and retirement benefits. This requirement was suspended for the 2010-2011 fiscal year.

The School Board increased its outstanding general obligation long-term debt by \$4.99 million or 35.9%, the majority of which represents the payment of general obligation bonded debt.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Richland Parish School Board as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. Notes to the Basic Financial Statements provide additional information that is essential for the fair presentation of the School Board's financial position and its operations. The notes are an integral part of the financial statements and should be considered part of the statements.

Annual Financial Report Required Supplemental Information Management's Discussion & Analysis (MD&A)



Required Supplemental Information
Schedule of Funding Progress
Budgetary Information for Major Funds

Supplemental Information

Non-major Funds Combining Statements & Budgetary Information

Agency Funds Statements/Schedules

Schedule of Compensation Paid Board Members

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities The analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board. All activities reported in the Statement of Net Assets and Statement of Activities are considered to be governmental activities. Governmental activities are all of the School Board's services, including instruction, plant services,

transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements The School Board's fund financial statements provide detailed information about the most significant funds, not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The fund financial statements do not include the capitalization of capital assets or related depreciation nor do they include long term liabilities as the government-wide financial statements do. We describe the relationship between the government-wide financial statements in the reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities The School Board is the trustee, or fiduciary, for its student activities funds which are reported in the Statements of Fiduciary Net Assets. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. These funds are under the control and administration of the individual schools. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are only those funds generated at the school and do not include funds available to the schools from other sources such as local tax revenues or Title I, which are accounted for at the School Board level.

THE SCHOOL BOARD AS A WHOLE

The School Board's net assets were \$18.98 million at June 30, 2011. Of this amount, unrestricted was a deficit of \$1.55 million. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1 Net Assets (in millions) June 30,

	Governmental Activities									
	2011	2010	Percent Variance							
Current and other assets	\$ 18.57	\$ 13.88	33.79							
Capital assets	26.61	27.81	(4.31)							
Total assets	45.18	41.69	8.37							
Current and other liabilities	3.11	3.54	(12.15)							
Long-term liabilities	23.09	17.33	33.24							
Total liabilities	26.20	20.87	25.54							
Net assets										
Invested in capital assets, net of debt	13.23	13.33	(0.75)							
Restricted	7.30	5.63	29.66							
Unrestricted	(1.55)	1.86	(183,33)							
Total net assets	\$ 18.98	\$ 20.82	(8.84)							

The negative \$1.55 million in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to liquidate its assets and pay off all of its bills today including all of its non-capital liabilities (compensated absences for example), there would be a deficit of \$1.55 million.

The net assets decreased by \$1.84 million during the fiscal year ended June 30, 2011. This decrease was primarily due to the increase in other post employment benefits as well as the decrease in actual sales tax collections from the prior year.

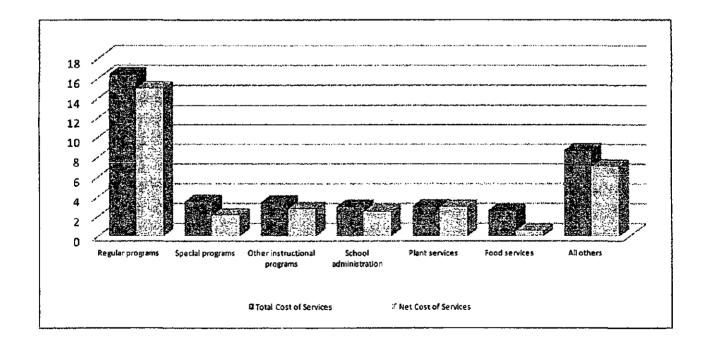
Table 2 Changes in Net Assets (in millions) For the Years Ended June 30,

	Governmental Activities							
	2011	2010	Total Percentage Change					
Net Assets – beginning	\$ 20.82	\$ 19.35	7.60					
Revenues:								
Program revenues								
Charges for services	0.23	0.19	21.05					
Operating grants and contributions	6.74	8.53	(20.98)					
General Revenues	 .	0.2	(20.30)					
Ad valorem taxes	4.48	4.53	(1.10)					
Sales taxes	5.87	7.61	(22.86)					
State equalization	20.00	19.71	1.47					
Other general revenues	1.21	0.36	236.11					
Total revenues	38.53	40.93	(5.86)					
Emaking/Duraman Emakan								
Functions/Program Expenses: Instruction								
Regular programs	16,35	15.81	3.42					
Special programs	3.43	3.67	(6.54)					
Other instructional programs	3.39	3.34	1.50					
Support Services	3.37	J.J4	1.50					
Student services	1.50	1.31	14.50					
Instructional staff support	2.57	3.48	(26.15)					
General administration	1.05	0.91	15.38					
School administration	2.97	2.54	16.93					
Business services	0.76	0.68	11.76					
Plant services	2.99	2.73	9.52					
Student transportation services	2.03	1.84	10.33					
Central services	0.04	0.04	10135					
Food Services	2.59	2.43	6.58					
Community Service Programs	0.01	0.01	-					
Interest on long-term debt	0.69	0.67	2,99					
Total expenses	40.37	39.46	2.31					
Increase (decrease) in net assets	(1.84)	1.47	(225.17)					
,		\$ 20.82						
Net Assets – ending	\$ 18.98	⇒ ∠∪.ŏ∠	(8.84)					

Governmental Activities In the table below, we have presented the cost of each of the School Board's six largest functions: regular programs, special programs, other instructional programs, school administration, plant services and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Cost of Services (in millions)
For the Years Ended June 30,

		20	11	2010					
	To	tal Cost	N	let Cost	To	tal Cost	N	let Cost	
	of S	Services	of S	Services	of S	<u>Services</u>	of S	Services	
Governmental Activities									
Regular programs	\$	16.35	\$	14.99	\$	15.81	\$	14.36	
Special programs		3.43		2.12		3.67		3.04	
Other instructional programs		3.39		2.77		3.34		1.81	
School administration		2.97		2.93		2.54		1.83	
Plant services		2.99		2.98		2.73		2.70	
Food services		2.59		0.58		2.43		0.67	
All others		8.65		7.03		8.94		6.32	
Totals	\$	40.37	\$	33.40	\$	39.46	\$	30.73	



THE SCHOOL BOARD'S FUNDS

As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

Total fund balances of all governmental funds increased \$5.1 million; the breakdown is as follows:

The fund balances of general fund decreased \$1.3 million due to an increase in salary and related benefit expenditures coupled with a decrease in anticipated MFP funding. Since Title I is a cost reimbursement program, there were no changes in its fund balance. The increase in the Capital Project fund of \$6.0 million is due to bonds issued for construction in District 3 to be spent in the upcoming year. The increase in other governmental fund balance of \$.4 million is primarily due to an increase of the Child Nutrition Program fund balance as well as an increase in the Debt Service fund balances.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

There was approximately a \$3.32 million decrease made to the original 2010-11 general fund budget's total amount available for appropriations. The main change was primarily due to a decrease in anticipated sales tax revenue. There was approximately a \$1.33 million increase made to the original 2010-11 general fund budget's total expenditures. This increase was due primarily to the change in salary benefit expenditures as well as inflation in various other areas such as fuel and utilities.

The actual revenues exceeded the budgeted revenues by \$1.73 million, which was due to the actual transfer of sales tax revenue. Additionally the actual expenditures exceeded the budgeted expenditures by \$.72 million, which was due to the increase of anticipated employee benefits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2011, the School Board had \$26.61 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of approximately \$1.2 million, or 4.31%, from last year. See Note 6 in the notes to the financial statements for additional information.

Capital Assets (in millions) June 30,

Governmental Activities

	2	2010		
Land	-\$	0.10	\$	0.10
Buildings		24.64		25.44
Furniture and equipment		1.87		2.27
Totals	\$	26.61	\$	27.81

Debt Administration At June 30, 2011, the School Board had \$18.91 million in general obligation bonds outstanding with maturities from 2012 to 2031 with interest rates ranging from 0.10 to 5.4 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property.

		Ratio of Debt to	Debt per
	<u>Amount</u>	Assessed Value	<u>Capita</u>
Net direct general obligation bonded debt	<u>\$16,044,586</u>	<u>9.10%</u>	<u>\$801</u>

At June 30, 2011, the School Board's net bonded debt of \$16,044,586 (total bonded debt of \$18,905,000 less assets in debt service funds of \$2,860,414) was well below the legal limit of \$61,717,667. The School Board's outstanding OPEB liability was \$3,062,644. See Note 8 and Note 12 in the notes to the financial statements for additional information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The consolidated budget for the 2011-12 year includes a 1.107% increase in anticipated revenues as well as a 3.548% decrease in budgeted expenditures. The increase in budgeted revenues is primarily due to an anticipated increase in ad valorem tax income. The decrease in budgeted expenditures is due to a continuing decrease in projected staffing in order to maintain costs in alignments with anticipated revenues. Projections show that more than 90% of the School Board's General Fund budget for the 2011-12 year is consumed by salaries and related benefits. Overall the School Board has budgeted an excess of revenues over expenditures in the amount of \$.37 million for the 2011-12 fiscal year which is attributed directly to increased revenue from state and local sources.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Regina R. Mekus, CPA, Business Manager, at Richland Parish School Board, P. O. 599, Rayville, Louisiana 71269-0599, telephone number (318) 728-5964.

BASIC FINANCIAL STATEMENTS:

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

STATEMENT OF NET ASSETS June 30, 2011

Statement A

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 15,410,716
Investments	1,265,657
Receivables, net	1,799,868
Inventory	82,105
Prepaid items	15,000
Capital assets:	
Land and construction in progress	102,200
Capital assets, net of depreciation	26,508,138
TOTAL ASSETS	45,183,684
LIABILITIES	
Accounts, salaries and other payables	2,857,372
Unearned revenue	37,355
Claims payable	862
Interest payable	219,383
Long-term liabilities	
Due within one year	1,866,569
Due in more than one year	21,222,306
TOTAL LIABILITIES	26,203,847
NET ASSETS	
Invested in capital assets, net of related debt	13,230,025
Restricted for:	
Worker's compensation	100,000
School Food Service	662,542
School account allocations	2,060,829
Salaries and retiree benefits	1,315,770
Debt service	2,641,031
Natural disaster and insurance	518,436
Unrestricted	(1,548,796)
TOTAL NET ASSETS	\$ 18,979,837

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2011

Statement B

		PROGRAM R	EVENUES OPERATING GRANTS AND	NET (EXPENSE) REVENUE AND CHANGES IN			
	EXPENSES	SERVICES	CONTRIBUTIONS	NET ASSETS			
FUNCTIONS/PROGRAMS							
Primary Government							
Governmental activities:							
Instruction:							
Regular programs	\$ 16,348,925		\$ 1,356,837	7 \$ (14,992,088)			
Special programs	3,429,581		1,309,218	3 (2,120,363)			
Other instructional programs	3,392,122		625,253	3 (2,766,869)			
Support services:							
Student services	1,503,690		548,834	(954,856)			
Instructional staff support	2,567,973		977,888	3 (1,590,085)			
General administration	1,048,685		5,111	1 (1,043,574)			
School administration	2,974,663		45,797	7 (2,928,866)			
Business services	756,219		50,444	(705,775)			
Plant services	2,993,661		15,942	2 (2,977,719)			
Student transportation services	2,028,974		24,697	7 (2,004,277)			
Central services	39,863		191	(39,665)			
Food services	2,592,887	\$ 235,193	1,775,90	3 (581,786)			
Community service programs	6,704		3.	3 (6,671)			
Interest on long-term debt	691,947		((691,947)			
Total Governmental Activities	40,375,894	235,193	6,736,160	(33,404,541)			
	General revenues	ı:					
	Taxes:						
	Property taxes,	levied for general purpo	ses	2,500,291			
	Property taxes,	levied for debt services		1,977,806			
	Sales taxes, lev	ied for general purpose	s	5,866,644			
	State revenue s	haring		190,639			
	Grants and contril	butions not restricted fo	r specific programs				
	Minimum Found	fation Program		19,995,118			
	Education Jobs			417,523			
	Interest and inves	tment earnings		46,337			
	Miscellaneous			567,285			
	Total general rev	⁄enues		31,561,643			
	Changes in net a	essets		(1,842,898)			
	Net assets - beginni	ing		20,822,735			
	Net assets - ending			\$ 18,979,837			

Richland Parish School Board

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

GOVERNMENTAL FUNDS Balance Sheet June 30, 2011

Statement C

	GENERAL	RAL TITLE I		CAPITAL PROJECT	GOV	OTHER ERNMENTAL	TOTAL
ASSETS							
Cash and cash equivalents	\$ 5,849,130	\$	0	\$ 5,962,076	\$	3,599,510	\$ 15,410,716
Investments	1,265,657		0	O		0	1,265,657
Receivables	541,553		382,146	0		876,169	1,799,868
Interfund receivables	979,559		0	0		0	979,559
Inventory	0		0	0		82,105	82,105
Prepaid items	15,000		0	0		0	 15,000
TOTAL ASSETS	8,650,899		382,146	 5,962,076		4,557,784	 19,552,905
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts, salaries and other							
payables	2,450,562		112,586	6,750		287,474	2,857,372
Interfund payable	0		269,560	0		709,999	979,559
Unearned revenue	0		0	0		37,355	37,355
Claims payable	862		0	 0		0	 862
Total Liabilities	2,451,424	. <u></u>	382,146	 6,750		1,034,828	3,875,148
Fund Balances:							
Nonspendable	15,000		0	0		82,105	97,105
Restricted	3,995,035		0	5,955,326		3,440,851	13,391,212
Unassigned	2,189,440		0	 0		0	 2,189,440
Total Fund Balances	6,199,475		0	 5,955,326		3,522,956	 15,677,757
TOTAL LIABILITIES AND							
FUND BALANCES	\$ 8,650,899	\$	382,146	\$ 5,962,076	<u>\$</u>	4,557,784	\$ 19,552,905

Committed

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets June 30, 2011

Statement D

Total fund balances - governmental funds

\$ 15,677,757

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets
Depreciation expense to date

\$ 62,039,656

(35,429,318)

26,610,338

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2011 are:

Long-term liabilities

 Bonds payable
 \$ (18,905,000)

 Compensated absences payable
 (651,634)

 Workers' compensation payable
 (38,958)

 Capital lease payable
 (430,639)

 OPEB liability
 (3,062,644)

 Interest payable
 (219,383)

(23,308,258)

Net Assets - Governmental Activities

\$ 18,979,837

GOVERNMENTAL FUNDS Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2011

Statement E

			CAPITAL			OTHER		
	 GENERAL	TITLE	TITLE I PROJECT		GOVERNMENTAL			TOTAL
REVENUES	 							
Local sources:								
Taxes:						•		
Ad valorem	\$ 2,500,291	\$ 0	\$	0	\$	1,977,806	\$	4,478,097
Sales and use	5,866,644	0		0		0		5,866,644
Interest earnings	27,160	0		304		18,873		46,337
Food services	0	0		0		235,193		235,193
Other	270,812	0		0		39,118		309,930
State sources:								
Equalization	19,700,287	0		0		294,831		19,995,118
Other	336,304	0		0		218,715		555,019
Federal sources	 59,335	2,328,473	_	0		4,401,495		6,789,303
Total Revenues	 28,760,833	2,328,473	_	304		7,186,031		38,275,641
EXPENDITURES								
Current:								
Instruction:		•						
Regular programs	13,678,150	460,406		0		705,173		14,843,729
Special programs	3,040,193	28,834		0		259,876		3,328,903
Other instructional programs	1,766,702	1,076,077		0		399,536		3,242,315
Support services:								
Student services	1,214,731	0		0		245,031		1,459,762
Instructional staff support	1,307,278	500,960		0		665,106		2,473,344
General administration	523,025	180,549		44,514		269,348		1,017,436
School administration	2,426,262	29,571		0		417,523		2,873,356
Business services	691,304	41,553		464		0		733,321
Plant services	2,867,033	748		0		0		2,867,781
Student transportation services	1,898,620	126		0		13,671		1,912,417
Central services	39,863	0		0		0		39,863
Food services	69,833	0		0		2,363,561		2,433,394
Community services	6,704	0		0		0		6,704
Capital outlay	68,908	9,649		0		22,834		101,391
Debt service:								
Principal retirement	132,778	0	:	0		1,185,000		1,317,778
Interest and bank charges	 22,255	0	_	0		679,643		701,898
Total Expenditures	 29,753,639	2,328,473		44,978		7,226,302	-	39,353,392
EXCESS (Deficiency) OF						·		
REVENUES OVER EXPENDITURES	\$ (992,806)	\$ 0	<u>'</u>	\$ (44,674)		(40,271)	_\$	(1,077,751)

(CONTINUED)

GOVERNMENTAL FUNDS Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2011

Statement E

	GI	ENERAL	TITLE I		TITLE I		TITLE I		CAPITAL PROJECT		OTHER GOVERNMENTAL		TOTAL
OTHER FINANCING SOURCES (USES)													
Transfers in	\$	Q	\$	0	\$	0	\$	283,185	\$ 283,185				
Transfers out		(283,185)		0		0		0	(283,185)				
Bond proceeds		0		0		6,000,000		0	6,000,000				
Refunding bond proceeds		0		0		0		6,125,000	6,125,000				
Payments to refunded bond escrow agent		<u>O</u>		0		0		(5,945,000)	 (5,945,000)				
Total Other Financing Sources (Uses)		(283,185)		. 0		6,000,000		463,185	 6,180,000				
Net Change in Fund Balances	(1	,275,991)		0		5,955,326		422,914	5,102,249				
FUND BALANCES - BEGINNING		7,475,466		0		0		3,100,042	 10,575,508				
FUND BALANCES - ENDING	\$	6,199,475	\$	0	\$	5,955,326	\$	3,522,956	\$ 15,677,757				

(CONCLUDED)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances to the Statement of Activities For the Year Ended June 30, 2011

Statement F

	State	ment F
Total net change in fund balances - governmental funds	\$ 5	,102,249
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:		
Depreciation expense \$ (1,555,	127)	
Capital outlays 368,	391	
· · · · · · · · · · · · · · · · · · ·		186,736)
The issuance of long-term debt provides current financial resources of governmental funds,	-	
while repayment of principal of long-term debt consumes the current financial resources		
of the governmental funds. Neither transaction, however, has any effect of net assets.		
Repayment of bond debt	1,	185,000
Repayment of capital lease		132,778
Receipt of bond proceeds	(6,	(000,000)
Difference between refunding band proceeds and payments to refunded band escrow agent		180,000)
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used \$(319,588) exceeded the amounts earned \$221,962 by \$97,626.		97,626
Some expenses reported in the Statement of Activities do not require the use of current		
financial resources and therefore, are not reported as expenditures in governmental funds.		
Increase/decrease of incurred but not reported workers' compensation claims		(38,213)
Increase in OPEB liability, in which is reported in Statement of Activities and are not reported as		
expenditures in governmental funds.	(955,908)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it		
is due, and thus requires the use of current financial resources. In the Statement of Activities,		0.004
however, interest expense is recognized as the interest accrues, regardless of when it is due.		9,951
Capital assets disposed of prior to full depreciation results in a loss on disposal for the		
government-wide statements. There is no recognition of this loss in the governmental funds.		(9,645)
Change in net assets of governmental activities	\$ (1,	842,898)

FIDUCIARY FUND STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES June 30, 2011

	Statement G
	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 522,993
Total assets	522,993
LIABILITIES	
Deposits due others	522,993
Total liabilities	\$ 522,993

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Richland Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The Richland Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Richland Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates eleven schools within the parish with a total enrollment of approximately 3,374 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund The general fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Title I To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Title I is primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

Capital Project This fund was established for the construction/renovation of schools in District #3 to begin in the 2012 fiscal year and funded with bond proceeds.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

School activities agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 Accounting and Financial Reporting for Nonexchange Transactions.

<u>Program revenues</u> Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

<u>Sales taxes</u> are recognized when the underlying exchange transaction occurs and the resources are available.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

<u>Salaries</u> are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability is incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

- 1. Investments in <u>nonparticipating</u> interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
- 2. The School Board reported at amortized cost money market investments and <u>participating</u> interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

- F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.
- G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.
- H. INVENTORY AND PREPAID ITEMS Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first in, first out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 8 years
Intangibles – software	5 years

Interest during construction is not capitalized on capital assets.

- J. UNEARNED REVENUES The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.
- K. COMPENSATED ABSENCES All 12-month employees earn from twelve to eighteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated but cannot exceed sixty days. However, upon separation, all unused vacation up to 60 days a year is paid to the employee.

All School Board employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay.

Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach. The School Board accrues those employees that have a minimum experience of 20 years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.
- L. LONG-TERM LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

- M. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:
 - Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
 - Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net assets reported in the statement of net assets are restricted by law through constitutional provisions or enabling legislation.

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS

The School Board adopted GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions for the ended June 30, 2011. GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

<u>Non-spendable:</u> Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

<u>Restricted:</u> Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

<u>Committed</u>: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the School Board or motions were passed at a School Board meeting committing the funds. The motions passed are usually the result of budget revisions.

<u>Assigned:</u> Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or Finance Committee.

<u>Unassigned:</u> Fund balance that is the residual classification for the general fund.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

- O. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.
- P. SALES TAXES The School Board has the following three sales tax ordinances:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held February 6, 1968. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said

sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the School System and for benefits of the retirees of the School System.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held September 21, 1996 and renewed in a special election on April 29, 2006. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to maintain and operate the public schools of Richland Parish.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held July 15, 2000. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to pay salaries and benefits of teachers and other School Board employees.

Q. BUDGETS

<u>General Budget Policies</u> The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level by fund; except for special revenue funds, which are controlled at the fund level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. All budget revisions are approved by the Board.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, with some variations. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level for the general fund and at the fund level for special revenue. Management can transfer amounts between line items within a function.

R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations in Individual Funds - The following individual funds had actual expenditures over budgeted expenditures for the fiscal year ended June 30, 2011:

<u>Fund</u>	Budget	<u>Actual</u>	Unfavorable Variance
General Fund	\$36,461,511	\$37,177,512	\$(716,001)

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last revision.

NOTE 3-LEVIED TAXES The School Board levies taxes on real and business personal property located within Richland Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Richland Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The Richland Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	September 13, 2010
Levy date	November 1, 2010
Tax bills mailed	November 20, 2010
Due date	December 31, 2011
Lien date	January 1, 2011
Tax sale date - 2010 delinquent property	May 4, 2011

Assessed values are established by the Richland Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2010. Total assessed value was \$176,336,190 in calendar year 2010. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$27,521,756 of the assessed value in calendar year 2010.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the

enforceable legal claim date. No receivable has been recorded for 2010 property taxes because the lien date is subsequent to year end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2010 property taxes occurs in December, and January and February of the next year.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized	Levied	Ti-d- D-t-
	<u>Millage</u>	<u>Millage</u>	Expiration Date
Parish-wide taxes:			
Constitutional	8.10	8.10	Statutory
Maintenance	8.00	8.00	2016
District taxes:			
School District #1	30.00	10.00	2025
School District #2	32.00	10.00	2014
School District #3	42.00	20.00	2020
School District #4	96.00	10.00	2011

NOTE 4 - DEPOSITS AND INVESTMENTS Deposits are stated at cost, which approximated fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board's investments are in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the school Board's carrying amount of deposits was \$17,199,366 and the bank balance was \$19,351,469, which includes \$1,265,657 in certificate of deposits classified as investments. These deposits are reported as follows: Statement A – cash and cash equivalents, \$15,410,716, Statement A – investments \$1,265,657, Statement G – cash and cash equivalents \$522,993. Of the bank balance, \$812,297 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. The School Board's policy does not address custodial risk. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - RECEIVABLES The balance of receivables at June 30, 2011, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

			Other						
	General			Title I Governmental			Total		
Taxes:									
Sales and use	\$	526,860	\$	-	\$	-	\$	526,860	
Intergovernmental-grants:				_					
Federal		-		382,146		792,660		1,174,806	
State		6,498		-		80,948		87,446	
Local Accounts		8,195		-		2,561		10,756	
Total	\$	541,553	\$	382,146	\$	876,169	\$	1,799,868	

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Balance Beginning		Additions		Deletions		Balance Ending	
Governmental activities								
Nondepreciable capital assets								
Land	\$	102,200	\$	-	\$	-	\$	102,200
Total nondepreciable capital assets		102,200		-		-		102,200
Depreciable capital assets								
Buildings		54,285,039	2	74,000		5,000	5	4,554,039
Furniture and equipment		7,665,528		94,391		376,502		7,383,417
Total depreciable captial assets		61,950,567	3	68,391		381,502	6	1,937,456
Less accumulated depreciation						•		<u> </u>
Buildings		28,847,901	1,0	68,599		771	2	9,915,729
Furniture and equipment		5,398,147	4	86,528		371,086		5,513,589
Total accumulated depreciation		34,246,048	1,5	55,127		371,857	3	5,429,318
Total depreciable capital assets, net		27,704,519	(1,1	86,736)		9,645	2	6,508,138
Governmental activities								
Capital assets, net	\$	27,806,719	\$ (1,1	86,736)	\$	9,645	\$ 2	6,610,338

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,095,307
Special programs	14,223
Other instructional programs	77,774
Student services	9,290
Instructional staff support	27,769
General administration	21,602
School administation	22,032
Business services	3,348
Plant services	92,131
Student transportation services	68,922
Food services	 122,729
Total depreciation expense	\$ 1,555,127

NOTE 7 - RETIREMENT SYSTEMS

<u>Plan description</u> Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana Post Office Box 94123 Baton Rouge, Louisiana 70804-9123 (225) 925-6446 Louisiana School Employees' Retirement System Post Office Box 44516 Baton Rouge, Louisiana 70804 (225) 925-6484

<u>Funding Policy</u> Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the State of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2011 are as follows:

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.00%	20.20%
Plan A	9.10%	20.20%
Louisiana School Employees' Retirement System	7.50%	24.30%

Total covered payroll of the School Board for TRS – Regular Plan, TRS – Plan A, and LSERS for the year ended June 30, 2011, amounted to \$19,066,686, \$32,955, and \$1,669,484 respectively. Employer contributions for the year ended June 30, 2011, and each of the two preceding years are as follows:

Fiscal Year Ended	TRS	LSERS
June 30, 2009	\$ 2,776,575	\$ 284,072
June 30, 2010	2,922,079	274,479
June 30, 2011	3,858,111	406,423

The above required contributions were made in full.

NOTE 8-OTHER POST-EMPLOYMENT BENEFITS Effective with the fiscal year ended June 30, 2009, the School Board implemented Government Accounting Standards Board Statement Number 45, <u>Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45)</u>. The School Board implemented GASB 45 prospectively.

<u>Plan description</u> - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board's OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

<u>Funding Policy</u> - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$1,807,736 for 282 retirees for the year ended June 30, 2011.

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which is being implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The level dollar amortization method was used. The total ARC for fiscal year 2011 is \$2,805,806 as set forth below:

Normal Cost	\$ 769,051
30-year UAL amortization amount	 2,036,755
Annual required contribution (ARC)	\$ 2,805,806

The following table presents the School Board's OPEB obligation for fiscal years 2011, 2010, and 2009:

	2011	2010	2009
Beginning Net OPEB Obligation July 1,	\$ 2,106,736	\$ 1,078,702	\$ None
Annual required contribution	2,805,806	2,805,960	2,805,960
Interest on prior year Net OPEB Obligation	84,269	112,238	112,238
Adjustment to ARC	(126,431)	<u> </u>	
Annual OPEB Cost	2,763,644	2,918,198	2,918,198
Less current year retiree premiums	(1,807,736)	(1,890,164)	(1,839,496)
Increase in Net OPEB Obligation	955,908	1,028,034	1,078,702
Ending Net OPEB Obligation at June 30,	\$ 3,062,644	\$ 2,106,736	\$ 1,078,702

Utilizing the pay as you go method, the School Board contributed 65.4% of the annual post employment benefits cost during 2011, 64.8% for 2010, and 63.0% benefits cost during 2009.

<u>Funded Status and Funding Progress</u> - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$33,938.601 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2010, was as follows:

Actuarial accrued liability (AAL)	\$	33,938,601
Actuarial value of plan assets		
Unfunded actuarial accrued liability (UAAL)	_	33,938,601
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll	\$	21,702,992
UAAL as a percentage of covered payroll		156.3 8%

The required Schedule of Funding Progress is immediately following the notes, which presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time to the actuarial accrued liability for benefits.

<u>Actuarial Methods and Assumptions</u> - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010, Richland Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible graduated down from 6.7% to an ultimate annual rate of 4.4%. The inflation rate is a subset of the healthcare cost trend in which a rate of 2.75% was assumed. The RP 2000 system table projected to 2010 using Scale AA was used in making actuarial assumptions in regards to mortality rates. The withdrawal rates for employees under LASERS retirement system range from 15% at age 18 to 4% at age 74; whereas the withdrawal rates for employees under TRSL retirement system range from .10% at age 18 to 4% at age 74. The disability rates for employees under LASERS retirement system range from .10% at age 35 to .40% at age 60; however disability rates for employees under TRSL retirement system range from .01% at age 23 to .20% at age 66. The retirement rates for employees under LASERS retirement system range from 90% at age 47 to 100% at age 70; and the retirement rates for employees under TRSL retirement system range from 2.0% at age 38 to 100% at age 70.

The remaining amortization period at June 30, 2011 for other post employment benefits (OPEB) was twenty-seven years.

NOTE 9-ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2011, are as follows:

	General	Title	<u> </u>	Capital Project	Go	Other vernmental	Total	
Salaries	\$ 2,193,513	\$ 111,	318	\$ -	\$	282,746	\$ 2,587,57	7
Accounts	257,049		268	6,750		4,728	269.79	5
Total	\$ 2,450,562	\$ 112,	586	\$ 6,750	\$	287,474	\$ 2,857,37	2

NOTE 10 - COMPENSATED ABSENCES At June 30, 2011, employees of the School Board have accumulated and vested \$651,634 of employee leave benefits, including \$9,314 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2011, follows:

	Balance,			Balance,
	Beginning	Additions	Reductions	Ending
Agency funds:				
School activities accounts	\$ 501,397	\$ 2,010,202	\$ 1,988,606	\$ 522,993

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2011:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
General obligation debt	\$ 13,910,000	\$ 12,125,000	\$ 7,130,000	\$ 18,905,000	\$ 1,370,000
Other liabilities:					
Compensated absences	749,260	221,962	319,588	651,634	319,588
Worker's compensation claims	745	91,734	53,521	38,958	38,958
Capital Leases	563,417	_	132,778	430,639	138,023
OPEB liability	2,106,736	2,763,644	1,807,736	3,062,644	•
Governmental Activities					
Long-term liabilities	\$ 17,330,158	\$ 15,202,340	\$ 9,443,623	\$ 23,088,875	\$ 1,866,569

The compensated absences liability, worker's compensation liability, capital leases and OPEB liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, approximately 100% was paid by the general fund.

The individual bond issues are as follows:

Bond issue General Obligation:	Issue Date	Original Issue	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding
School District #2	11/1/2000	\$ 630,000	.10%-5.4%	3/1/2015	\$ 31,109	\$ 225,000
School District #3 Refunding	11/1/2010	6,125,000	2.90%	3/1/2021	1,027,470	6,025,000
School District #3	5/1/2011	6,000,000	3.25%-4.25%	3/1/2031	2,794,606	6,000,000
School District #4	4/1/1999	2,835,000	3.20%-4.25%	2/1/2012	13,600	320,000
School District #1 Total	7/1/2005	7,755,000	3.75%-4.5%	3/1/2025	2,139,916 \$ 6,006,701	6,335,000 \$ 18,905,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and general operating funds of the School Board. At June 30, 2011, the School Board has accumulated \$2,860,414, in the debt service funds for future debt requirements. The bonds are due as follows:

	Principal	Interest	
Year Ending June 30,	Payments	Payments	Total
2012	\$ 1,370,000	\$ 649,731	\$ 2,019,731
2013	1,110,000	639,133	1,749,133
2014	1,165,000	599,506	1,764,506
2015	1,210,000	557,685	1,767,685
2016	1,210,000	514,325	1,724,325
2017-2021	6,955,000	1,932,915	8,887,915
2022-2026	3,875,000	853,072	4,728,072
2027-2031	2,010,000	260,334	2,270,334
Total	\$ 18,905,000	\$ 6,006,701	\$ 24,911,701

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, the statutory limit was \$61,717,667, and outstanding net bonded debt totaled \$16,044,586.

Refunding

In November 2010, The School Board issued \$6,125,000 of general obligation refunding bonds for District #3 that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the general obligation bond, series 2001, that had an outstanding balance of \$5,945,000. The reduction of total debt service payments over the next ten years was \$634,207, which resulted in an economic gain of \$476,525.

During the 2010 fiscal year, the School Board purchased 10 school buses under a capital lease agreement for \$718,450, in which the current depreciation was \$78,850 and accumulated depreciation at June 30, 2011 fiscal year end was \$157,700. The following is a schedule of future minimum lease payments under capital lease, together with the present value of the net minimum lease payments, as of June 30, 2011:

2012	\$ 155,033
2013	155,033
2014	155,033
Net mimimum lease payments	 465,099
Less: amounts representing interest	 34,460
Present value of net minimum lease payments	\$ 430,639

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

Receivable Fund	Payable Fund	<u>Amount</u>
General	Title I	\$ 269,560
General	Other Governmental	709,999
		\$ 979,559

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received.

Interfund transfers:

Receiving Fund	Transfers In	Paying Fund	<u>Tra</u>	nsfers Out
Other Governmental	\$ 283,185	General Fund	\$	283,185

The purpose of interfund transfers is mainly to cover operating expenditures in School Food Service.

NOTE 14 - FUND BALANCE CLASSIFICATION DETAILS

	 General	Capital	Project	Go	Other vernmental		Total
Non spendable:							
Inventory and prepaid items	\$ 15,000	\$	-	\$	82,105	\$	97,105
Restricted for:							
Workers compensation reserve	100,000		-		-		100,000
School food service	-		•		580,437		580,437
School account allocations	2,060,829		-		-		2,060,829
Schools construction/renovation	-	5,9	55,326		-		5,955,326
Salaries and benefits	1,315,770		-		•		1,315,770
Debt service			-		2,860,414		2,860,414
Natural disaster and insurance	518,436		-		-		518,436
Unassigned	2,189,440		-		-		2,189,440
Total	\$ 6,199,475	\$ 5,9	55,326	\$	3,522,956	S	15,677,757

NOTE 15-RISK MANAGEMENT The School Board initiated a self-insured program for workers' compensation in 1991. It joined a pool of school boards in Northeast Louisiana in order to share workers' compensation costs. The School Board's share of risk is determined by calculating its percentage of the total manual premium of the group. The risk allocated to the School Board for the year ended June 30, 2011 was 48%. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

Changes in the claims amount for the last three fiscal years were as follows:

	Beginning of	Claims and	Benefit	Ending of		
	Fiscal Year	Changes in	Payments and	Fiscal Year		
Years Ended June 30,	Liability	Estimates	Claims	Liability		
2008-2009	\$ 18,453	\$ 72,321	\$ 64,844	\$ 25,930		
2009-2010	25,930	32,237	55,775	2,392		
2010-2011	2,392	90,948	53,520	39,820		

Of this amount, \$862 is reflected as claims payable which represents two months payments after year end, which is reported in the balance sheet (Statement C). The remaining \$38,958 is the long-term portion, in which the full amount is considered due within one year reported in the statement of net assets (Statement A). In addition, the School Board is at risk for property damage, liability, and theft which are covered by insurance policies.

During the fiscal year 2011, a total of \$53,520 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$250,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims payable of \$39,820 as of June 30, 2011, has been accrued as liability. Claims payable does not include incremental costs. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

NOTE 16 - LITIGATION AND CLAIMS

<u>Litigation</u> The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowances The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

<u>Tax Arbitrage Rebate</u> Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes that there is no tax arbitrage rebate liability at year end.

NOTE 17-ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$9,409. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - ECONOMIC DEPENDENCY Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$19,995,118 to the School Board, which represents approximately 52% of the School Board's total revenue for the year.

NOTE 19 - CHANGE IN PRESENTATION For fiscal year end June 30, 2010, the General fund and Title I fund were reported as major funds; however, for fiscal year end June 30, 2011, the General fund, Title I fund and Capital Project fund are major funds.

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REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN JUNE 30, 2011

Fiscal Year	Actuarial Valuation	(a Actu Valu	arial	(b) Actuarial Accrued Liability	(b-a) Unfunded AAL	(a/b) Funded	(c) Covered	(b-a/c) UAAL as a Percentage of Covered	
Ended				(AAL)	(UAAL)	Ratio	Payroll	Payroll	
June 30, 2009	7/1/2008	\$	-	\$ 36,637,005	\$ 36,637,005	0%	\$21,141,314	173.30%	
June 30, 2010	7/1/2008		-	36,637,005	36,637,005	0%	21,341,878	171.67%	
June 30, 2011	7/1/2010		-	33,938,601	33,938,601	0%	21,702,992	156.38%	

Budgetary Comparison Schedules

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

<u>TITLE I</u> The Title I funds are used primarily for compensatory activities to instruct educationally deprived children residing in low income areas and meet needs assessment criteria.

GENERAL FUND Budgetary Comparison Schedule For the Year Ended June 30, 2011

Exhibit 1-1

	BUDGETEL) AMOUNTS	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	AMOUNTS	(NEGATIVE)
DUDOCTANY CUND DALANGES SECINARIA	\$ 7005000	ф <i>е</i> =27 000	e 7.475.466	\$ 898,143
BUDGETARY FUND BALANCES, BEGINNING Resources (inflows)	\$ 7,965,909	\$ 6,577,323	\$ 7,475,466	\$ 898,143
Local sources:				
Ad valorem taxes	2,330,375	2,330,375	2,500,291	169,916
Sales and use taxes	7,777,463		5,866,644	31,767
Interest earnings	0,,,,,,,		27,160	12,160
Other	7,500	· · · · · · · · · · · · · · · · · · ·	270,812	264,312
State sources:	,,000	0,000	2101012	2011012
Equalization	20,336,393	20,336,393	19,700,287	(636,106)
Other	343,288	· · · · · · · · · · · · · · · · · · ·	336,304	(6,984)
Federal sources	58,000	· ·	59,335	1,335
Transfers from other funds	6,140,665	•	7,140,688	1,000,023
Transfers from Other lands	0,140,000	4,140,000	7,140,000	1,000,000
Amounts available for appropriations	44,959,593	41,642,421	43,376,987	1,734,566
Charges to appropriations (outflows)				
Instruction:				
Regular programs	13,230,783	13,230,783	13,678,150	(447,367)
Special programs	2,962,442	2,962,442	3,040,193	(77,751)
Other instructional programs	1,745,002	1,745,002	1,766,702	(21,700)
Support services:				
Student services	1,172,983	1,172,983	1,214,731	(41,748)
Instructional staff support	1,296,760	1,296,760	1,307,278	(10,518)
General administration	938,583	938,583	523,025	415,558
School administration	2,313,255	2,313,255	2,426,262	(113,007)
Business services	618,114	618,114	691,304	(73,190)
Plant services	2,710,726	2,709,726	2,867,033	(157,307)
Student transportation services	1,930,595	1,930,595	1,898,620	31,975
Central services	41,000	41,000	39,863	1,137
Food services	106,570	106,570	69,833	36,737
Community services	6,555	6,555	6,704	(149)
Capital Outlay	C	0	68,908	(68,908)
Debt service	Ċ	0	155,033	(155,033)
Transfers to other funds	6,061,555	7,389,143	7,423,873	(34,730)
Total charges to appropriations	35,134,923	36,461,511	37,177,512	(716,001)
BUDGETARY FUND BALANCES, ENDING	\$ 9,824,670	\$ 5,180,910	\$ 6,199,475	\$ 1,018,565

TITLE I Budgetary Comparison Schedule For the Year Ended June 30, 2011

Exhibit 1-2

	BUDGETED AMOUNTS ORIGINAL FINAL		ACTUAL AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)		
			 7 1111				
BUDGETARY FUND BALANCES, BEGINNING	\$	0	\$ 0	\$	0	\$	D
Resources (inflows) Federal sources		755,801	2,328,473		2,328,473		0
receiai șudices		733,001	 2,320,473		2,320,413		
Amounts available for appropriations		755,801	 2,328,473		2,328,473		0
Charges to appropriations (outflows) Instruction:							
Regular programs		150,309	460,046		460,406		(360)
Special programs		0	28,835		28,834		1
Other instructional programs		544,363	1,086,086		1,076,077		10,009
Support services:							
Instructional staff support		0	500,960		500,960		0
General administration		61,129	180,549		180,549		0
School administration		0	29,571		29,571		0
Business services		0	41,553		41,553		0
Plant services		0	748		748		0
Student transportation services		0	125		126		(1)
Capital Outlay	·	0	 0		9,649		(9,649)
Total charges to appropriations		755,801	 2,328,473		2,328,473		0
BUDGETARY FUND BALANCES, ENDING	\$	0	\$ 0	\$	0	\$	0

Richland Parish School Board Notes to Budgetary Comparison Schedules For the Year Ended June 30, 2011

A. BUDGETS

<u>General Budget Practices</u> The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were not considered significant.

<u>Encumbrances</u> Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for operating transfers in and out. Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following individual funds had actual expenditures over budgeted expenditures for the fiscal year ended June 30, 2011:

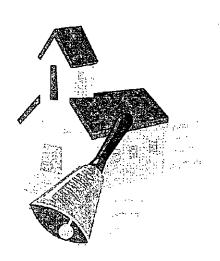
<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$36,461,511	\$37,177,512	\$(716,001)

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last revision.

Notes to the Budgetary Comparison Schedule For the Year Ended June 30, 2011

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL	
	FUND	TITLE I
Sources/inflows of resources:		
Actual amounts (budgetary basis) "available for	•	
appropriation* from the Budgetary Comparison Schedule	\$ 43,376,987	\$ 2,328,473
The fund balance at the beginning of the year is a		
budgetary resource but is not a current year revenue for		
financial reporting purposes	(7,475,466)	0
Transfers from other funds are a budgetary resource		
but is not a current year revenue for financial reporting purposes	(7,140,688)	0
Total revenues as reported on the Statement of		•
Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds	28,760,833	2,328,473
Uses/outflows of resources:		
Actual amounts (budgetary basis) "Total charges to		
appropriations" from the Budgetary Comparison		
Schedule	37,177,512	2,328,473
Transfer to other funds are outflows of budgetary resources		
but are not expenditures for financial reporting purposes	(7,423,873)	0
Total expenditures as reported on the Statement of		
Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds	\$ 29,753,639	\$ 2,328,473



SUPPLEMENTAL INFORMATION

COMBINING NONMAJOR GOVERNMENTAL FUNDS BY FUND TYPE

NONMAJOR GOVERNMENTAL FUNDS Combining Balance Sheet - By Fund Type June 30, 2011

Exhibit 2

	 SPECIAL REVENUE	 DEBT SERVICE	 TOTAL
ASSETS			
Cash and cash equivalents	\$ 736,83 6	\$ 2,862,674	\$ 3,599,510
Receivables	876,169	0	876,169
Inventory	 82,105	 	 82,105
TOTAL ASSETS	 1,695,110	 2,862,674	 4,557,784
LIABILITIES AND FUND BALANCES Liabilities:			
Accounts, salaries and other payables	287,474	0	287,474
Interfund payables	709,999	0	709,999
Unearned revenue	 35,095	 2,260	37,355
Total Liabilities	 1,032,568	 2,260	 1,034,828
Fund Balances:			
Nonspendable	82,105	0	82,105
Restricted	 580,437	 2,860,414	 3,440,851
Total Fund Balances	 662,542	2,860,414	 3,522,956
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,695,110	\$ 2,862,674	\$ 4,557,784

NONMAJOR GOVERNMENTAL FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type For the Year Ended June 30, 2011

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 1,977,806	\$ 1,977,806
Interest earnings	531	18,342	18,873
Food services	235,193	0	235,193
Other	39,118	0	39,118
State sources:			
Equalization	294,831	0	294,831
Other	218,715	0	218,715
Federal sources	4,401,495	<u>D</u>	4,401,495
Total Revenues	5,189,883	1,996,148	7,186,031
EXPENDITURES			
Current:			
Instruction:			
Regular programs	705,173	0	705,173
Special programs	259,876	0	259,876
Other instructional programs	399,536	0	399,536
Support services:			
Student services	245,031	0	245,031
Instructional staff support	665,106	0	665,106
General administration	157,020	112,328	269,348
School administration	417,523	0	417,523
Student transportation services	13,671	0	13,671
Food services	2,363,561	0	2,363,561
Capital Outlay	22,834	0	22,834
Debt service:			
Principal retirement	0	1,185,000	1,185,000
Interest and bank charges	0	679,643	679,643
Total Expenditures	5,249,331	1,976,971	7,226,302
EXCESS (Deficiency) OF REVENUES			
OVER EXPENDITURES	\$ (59,448)	\$ 19,177	(40,271)

(CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type For the Year Ended June 30, 2011

Exhibit 3

	PECIAL EVENUE	 DEBT SERVICE	 TOTAL
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 283,185	\$ 0	\$ 283,185
Refunding bond proceeds	0	6,125,000	6,125,000
Payments to refunded bond escrow agent	 0	(5,945,000)	 (5,945,000)
Total Other Financing Sources (Uses)	 283,185	 180,000	 463,185
Net Change in Fund Balances	223,737	199,177	422,914
FUND BALANCES - BEGINNING	 438,805	 2,661,237	 3,100,042
	\$ 662,542	\$ 2,860,414	\$ 3,522,956

(CONCLUDED)

Non Major Special Revenue Funds

<u>TITLE II</u> To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

<u>DRUG FREE SCHOOLS</u> To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

<u>VOCATIONAL/JAG GRANTS</u> The purpose of these grants are to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

<u>TECHNOLOGY GRANTS</u> The purpose of these funds is to integrate educational technology into classrooms to improve teaching and student achievement.

<u>PRESCHOOL GRANTS</u> To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

21st CENTURY COMMUNITY LEARNING CENTER To Support the erection of community learning centers to provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools.

<u>LA4</u> The purpose for these funds are to assist prekindergarten intervention for targeted children, at-risk unserved four-year-olds.

REAP To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.

SCHOOL FOOD SERVICE To assist through each grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

8(g) The 8(g) state funds are programs that provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

<u>LA4 TANF</u> (Temporary Assistance to Needy Families) makes grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability and quality of child care and to increase the availability of early childhood development and before - and after - school programs.

<u>LA GEAR UP</u> To account for state revenue received for the Louisiana Gaining Early Awareness and Readiness for Undergraduate Programs, which is designed to assist low-income high school students to be prepared to enter and succeed in post secondary education.

Non Major Special Revenue Funds

<u>EDUCATION JOBS</u> This is a one-time appropriation under the American Recovery and Reinvestment Act of 2009 to provide assistance to states to assist local educational agencies (LEAs) in saving or creating education jobs during the 2010-2011 school year.

MISCELLANEOUS FUNDS Accounts for funds used to account for funds not attributable to other categories of funds.

NONMAJOR SPECIAL REVENUE FUNDS Combining Balance Sheet June 30, 2011

		ITLE II	 PECIAL ICATION	DRUG FREE SCHOOLS	vo 	CATIONAL/JAG GRANTS
ASSETS						
Cash and cash equivalents	\$	0	\$ 0	\$ 0	\$	0
Receivables		76,701	284,857	0		74,318
Inventory		0	 0	0		<u> </u>
TOTAL ASSETS		76,701	 284,857	0	: ====	74,318
LIABILITIES AND FUND BALANCES						
Liabilities:				_		
Accounts, salaries and other payables		20,314	66,886	0		14,06B
Interfund payables		56,387	217,971	0		60,250
Unearned revenue	 .	0	 0	0		0
Total Liabilities		76,701	 284,857	0		74,318
Fund Balances:						
Nonspendable		0	0	0		0
Restricted		0	 0	0		0
Total Equity		0	 0	0		0
TOTAL LIABILITIES AND FUND BALANCES	_\$	76,701	\$ 284,857	\$ 0	<u>\$</u>	74,318

Exhibit 4

TECHNOLOGY GRANTS		PRESCHOOL	TWENTY FIRST CENTURY LA4			
\$	0 1,506 0	\$ 0 9,879 0	\$	0 33,695 0	\$	0 4,371 0
	1,506	9,879		33,695		4,371
	0 1,506 0	2,623 7,256 0		23,964 9,731 0		2,185 2,186 0
	1,506	9,879		33,695		4,371
	0	0		0		0
	0	0		0		0
\$	1,506	\$ 9,879	<u>_</u> \$	33,695	\$	4,371

(CONTINUED)

NONMAJOR SPECIAL REVENUE FUNDS Combining Balance Sheet June 30, 2011

	REAP	SCHOOL FOOD REAP SERVICE 8(g)			LA4 TANF		
	<u> </u>						
ASSETS							
Cash and cash equivalents	\$ 1,981	\$	734,855	\$	0	\$	0
Receivables	17,476		18,884		28,181		75,781
Inventory	0		82,105		0	· 	0
TOTAL ASSETS	 19,457		835,844		28,181		75,781
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts, salaries and other payables	7,121		113,638		10,971		25,634
Interfund payables	12,336		24,569		17,210		50,147
Unearned revenue	 <u>D</u>		35,095		0		0
Total Liabilities	 19,457	•••	173,302		28,181		75,781
Fund Balances:							
Nonspendable	0		82,105		0		0
Restricted	 0		580,437		0		0
Total Equity	 0		662,542		0		0
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,457	\$	835,844	\$	28,181	\$	75,781

Exhibit 4

 LA GEAR UP	EDUCATION JOBS		LLANEOUS UNDS	 TOTAL
\$ 0 32,396 0	\$ 212,88	0 36 0	\$ 0 5,238 0	\$ 736,836 876,169 82,105
 32,396	212,88	36	 5,238	 1,695,110
70		0	0	287,474
 32,326 0	212,8	36 0	 5,238 0	 709,999 35,095
 32,396	212,8	86	 5,238	 1,032,568
0		0	 0	82,105 580,437
 0		0	 0	 662,542
\$ 32,396	\$ 212,8	86	\$ 5,238	\$ 1,695,110

(CONCLUDED)

NONMAJOR SPECIAL REVENUE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2011

	TITLE	.		CIAL CATION		FREE	ATIONAL/JAG GRANTS
REVENUES							
Local sources:							
Interest earnings	\$	0	\$	0	\$	a	\$ 0
Food services		O		0		0	0
Other		0		0	•	0	39,104
State sources:	•						
Equalization		0		0		0	0
Other		0		14,430		0	0
Federal sources	30	06,826	1	091,985		3,117	213,290
Total Revenues	30	06,826	1	106,415		3,117	 252,394
EXPENDITURES							
Current:							
Instruction:							
Regular programs	1	15,629		231,494		0	0
Special programs		0		231,368		3,056	0
Other instructional programs	1	15,244		0		D	208,743
Support services:							
Student services		0		245,031		0	0
Instructional staff support		52,496		313,095		0	D
General administration	2	23,457		85,427		61	9,774
School administration		Đ		0		0	0
Student transportation services		0		0		0	522
Food services		0		0		0	0
Capital Outlay		0		0		0	 <u>D</u>
Total Expenditures	3(06,826	1	,106,415		3,117	 219,039
EXCESS (Deficiency) OF REVENUES		_		_			_
OVER EXPENDITURES	************	0		0		0	 33,355
OTHER FINANCING SOURCES (USES)							
Transfers in		0		0		0	 0
TOTAL OTHER FINANCING SOURCES (USES)		0		0		0	 0
NET CHANGE IN FUND BALANCES		0		0		0	33,355
FUND BALANCES - BEGINNING		0		0		0	 (33,355)
FUND BALANCES - ENDING	\$	0	\$	0	\$	0	\$ 0

Exhibit 5

TECHNOLOGY GRANTS		PRESCHOOL	TWENTY F			LA4			
\$	0	\$ 0	\$	o	\$	0			
•	Ŏ	0	•	ō	•	Ö			
	0	0		0		0			
	0	0		0		0			
	2,058	0		0		18,288			
	11,130	52,785	17	5,457		0			
	40.400					40.000			
	13,188	52,785	17	5,457		18,288			
	3,772	0	15	0,205		0			
	0	24,979		0		463			
	2,058	0		784		17,825			
	_	_		_		_			
	0	0		0		0			
	6,757	23,756		0		0			
	601 0	4,050 0	1	2,328		0			
	0	0	1	2,140		0			
	0	ō	•	0		0			
	Ö	ō		ō		0			
						•			
	13,188	52,785	17	5,457		18,288			
	0	0		.0		0			
	0	0		0		0			
	0	0		0		0			
	0	0		0		0			
	0	0		0		0			
									
\$	0	\$ 0		0	\$	0			

(CONTINUED)

NONMAJOR SPECIAL REVENUE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2011

REVENUES Local sources: Interest earnings \$ Food services Other • State sources: Equalization	0 0 0 0 0 87,498	235,1	31 \$ 93 14 31	8(g) 0 0 0 106,527 0	\$	0 0 0 0 2,878
Local sources: Interest earnings \$ Food services Other • State sources:	0 0 0 0 87,498	235,1 294,8 1,763,0	93 14 31 0	0 0 106,527	\$	0 0
Interest earnings \$ Food services Other • State sources;	0 0 0 0 87,498	235,1 294,8 1,763,0	93 14 31 0	0 0 106,527	\$	0 0
Food services Other State sources:	0 0 0 0 87,498	235,1 294,8 1,763,0	93 14 31 0	0 0 106,527	•	0 0
Other - State sources;	0 0 0 87,498	294,8 1,763,0	14 31 0	0 0 106,527		0
State sources:	0 0 87,498	294,8 1,763,0	31	0 106,527		0
· · · · · · · · · · · · · · · · · · ·	87,498	1,763,0	0	106,527		
	87,498	1,763,0	0	106,527		
Other	87,498					
Federal sources				<u>~</u>		265,123
, cuciai sources	87,498	2 293 5				200,120
Total Revenues		2,200,0	92	106,527		268,001
EXPENDITURES						
Current:						
Instruction:						
Regular programs	80,811		0	1,784		184,055
Special programs	0		0	0		10
Other Instructional programs	1		0	104,739		2,735
Support services:						
Student services	0		0	0		٥
Instructional staff support	0		0	4		66,565
General administration	6,686		0	0		14,636
School administration	0		0	0		0
Student transportation services	0		0	0		0
Food services	0	2,363,5	i61	0		0
Capital outlay	0	22,8	34	<u> </u>		0
Total Expenditures	87,498	2,386,3	95	106,527		268,001
EXCESS (Deficiency) OF REVENUES						
OVER EXPENDITURES	0	(92,8	03)	0		0
OVER EXI ENDITORICO		(02,0				<u>~</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	0	283,1	185	0		0
TOTAL OTHER FINANCING SOURCES (USES)	0	283,1	185	0		0
NET CHANGES IN FUND BALANCES	0	190,3	82	o		0
FUND BALANCES - BEGINNING	0	472,1	160	0		0
FUND BALANCES - ENDING \$	0	\$ 662,5	542 \$	0	 \$	D

Exhibit 5

LA GEAR UP	EDUCATION JOBS	MISCELLANEOUS FUNDS	TOTAL
\$ 0	\$ 0	\$ 0	\$ 531
0	0	0	235,193
0	0	0	39,118
0	. 0	. 0	294,831
69,534	0	5,000	218,715
	417,523	13,738	4,401,495
69,534	417,523	18,738	5,189,883
35,938	o	1,485	705,173
0	0	0	259,876
32,587	. 0	14,820	399,536
0	0	0	245,031
ō	ō	2,433	665,106
ō	0	0	157,020
0	417,523	0	417,523
1,009	0	Ō	13,671
0	0	0	2,363,561
0	0	0	22,834
69,534	417,523	18,738	5,249,331
0	0	0	(59,448)
0	0	0	283,185
0	0	0	283,185
0	0	0	223,737
u	U	U	220,/3/
0	0	0	438,805
\$ 0	\$ 0	\$ 0	\$ 662,542

(CONCLUDED)



Nonmajor Debt Service Funds

School District No. 1

School District No. 2

School District No. 3

School District No. 4

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective ward.

NONMAJOR DEBT SERVICE FUNDS Combining Balance Sheet June 30, 2011

	SCHOOL DISTRICT #1	SCHOOL DISTRICT #2	SCHOOL DISTRICT #3
ASSETS Cash and cash equivalents	\$ 1,202,18 7	\$ 87,830	\$ 1,173,21 9
TOTAL ASSETS	1,202,187	87,830	1,173,219
LIABILITIES AND FUND BALANCES Uneamed revenue	0	0	0
Total Liabilities	0	0	0
Fund Balances: Restricted	1,202,187	87,830	1,173,219
Total Fund Balances	1,202,187	87,830	1,173,219
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,202,187	\$ 87,830	\$ 1,173,219

Exhibit 6

-	CHOOL TRICT #4	TOTAL					
\$	399,438	\$	2,862,674				
	399,438		2,862,674				
	2,260		2,260				
	2,260		2,260				
	397,178		2,860,414				
	397,1 <u>78</u>		2,860,414				
\$	399.438	s	2.862.674				

RICHLAND PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS Combining Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2011

	SCHOOL DISTRICT #1		SCHOOL DISTRICT #2		SCHOOL DISTRICT #3	
REVENUES						
Local sources:						
Taxes:						
Ad valorem	\$	668,087	\$	88,490	\$	996,348
Interest earnings		1,309		39		16,413
Total Revenues		669,396		88,529		1,012,761
EXPENDITURES						
Current:						
Support services:						
General administration		24,950		3,360		75,669
Debt service:		•		.,		
Principal retirement		310,000		50,000		520,000
Interest and bank charges		273,326		14,820		364,277
Total Expenditures		608,276		68,180		959,946
EXCESS (Deficiency) OF REVENUES						
OVER EXPENDITURES		61,120		20,349		52,815
OVER EXPERIENCES		01,120		20,043		32,013
OTHER FINANCING SOURCES (USES)			,	•		
Refunding bond proceeds		0		0		6,125,000
Payments to refunded bond escrow agent		0		0		(5,945,000)
Total Other Financing Sources (Uses)	<u> </u>	0	-	0		180,000
Net Change in Fund Balances		61,120		20,349		232,815
FUND BALANCES - BEGINNING		1,141,067	·	67,481		940,404
FUND BALANCES - ENDING	<u>\$</u>	1,202,187	\$	87,830	\$	1,173,219

Exhibit 7

	STRICT #4		TOTAL
\$	224,881 581	\$	1,977,806 18,342
<u></u>	225,462		1,996,148
	8,34 9		112,328
	305,000 27,220		1,185,000 679,643
	340,569		1,976,971
	(115,107)	· · · · · · · · · · · · · · · · · · ·	19,177
	0		6,125,000 (5,945,000)
	0		180,000
	(115,107)		199,177
	512,285		2,661,237
\$	397,178	\$	2,860,414

Richland Parish School Board

Agency Fund

SCHOOL ACTIVITIES AGENCY FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

RICHLAND PARISH SCHOOL BOARD

SCHOOL ACITVITIES AGENCY FUND Schedule of Changes in Deposits Due Others For the Year Ended June 30, 2011

Exhibit 8

School	Balance, eginning	· ·		Additions Deductions		Balance, Ending	
Delhi Elementary	\$ 40,877	\$	115,152	\$	104,426	\$	51,603
Delhi Junior High	23,387		66,516		59,810		30,093
Delhi High	24,247		171,725		163,718		32,254
Holly Ridge	22,578		109,244		117,957		13,865
Mangham Elementary	46,227		223,633		234,013		35,847
Mangham Junior High	70,447		109,814		110,065		70,196
Mangham High	30,504		253,505		246,974		37,035
Rayville Elementary	129,838		94,245		103,220		120,863
Rayville Junior High	11,945		102,969		103,720		11,194
Rayville High	14,871		514,744		510,808		18,807
Start Elementary	 86,476		248,655		233,895	······	101,236
Total	\$ 501,397	\$	2,010,202	\$	1,988,606	_\$_	522,993

Richland Parish School Board

Exhibit 9

Schedule of Compensation Paid Board Members For the Year Ended June 30, 2011

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month, and the president receives \$700 per month for performing the duties of his office.

Mr. Kevin Eppinette, President	\$ 7,800
Mr. William Calvert, Vice President	7,200
Ms. W. Marie Lewis	7,800
Mr. Robert Adams	1,800
Ms. Dee Adams	5,400
Mr. David Barton	3,600
Mr. Joe Chapman	3,600
Mr. Arthur Ray Farmer	3,600
Mr. Leonard Guine	7,200
Ms. Sharon Jones	3,600
Ms. Patricia Jordan	3,600
Mr. Todd Weed	3,600
Mr. Danny Whitstine	3,600
Mr. Moses Wilkins	3,600
TOTAL	<u>\$66,000</u>

Richland Parish School Board

SINGLE AUDIT INFORMATION

ALLEN, GREEN & WILLIAMSON, LLP



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> > Emest L. Allon, CPA (Retired) 1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members Richland Parish School Board Rayville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Richland Parish School Board is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, as item 11-F1 that we considered to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under <u>Government Auditing Standards</u> and which is described in the accompanying schedule of findings and questioned costs as items 11-F2.

We noted certain matters that we reported to management of the School Board in a separate letter dated December 30, 2011.

The School Board's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. We did not audit the School Board's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

allen, Sheen & Williamson, XXP

Monroe, Louisiana December 30, 2011

ALLEN, GREEN & WILLIAMSON, LLP



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> > Ernest L. Alba, CPA (Retired) 1963 - 2000

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Independent Auditors' Report

Board Members Richland Parish School Board Rayville, Louisiana

Compliance

We have audited the compliance of Richland Parish School Board with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Richland Parish School Board's major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States; and OMB Circular A-133, <u>Audits of States</u>, <u>Local Governments</u>, and <u>Non-Profit Organizations</u>. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-F3, 11-F4, and 11-F5.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-F3, 11-F4, and 11-F5. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. We did not audit the School Board's responses, and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Aller, Green & Williamson, LRP

Monroe, Louisiana December 30, 2011

Richland Parish School Board Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.		Expenditures
United States Department of Agriculture Passed Through Louisiana Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 419,098	
National School Lunch Program	10.555	N/A	1,068,118	
Summer Food Service Program for Children	10.559	N/A	16,600	
Food Distribution (Commodities Noncash)	10.555	N/A	93,748	
Total Child Nutrition Cluster				\$ 1,597,564
Fresh Fruit and Vegtable Program	10.582	N/A		165,459
Total United States Department of Agriculture				1,763,023
United States Department of Education	•			
Passed Through Louisiana Department of Education: Title 1 Part A Cluster:				
Title I - Grants to Local Educational Agencies	84.010A	28-11-T1-42		
, and the second		28-10-TA-42	1,803,220	
Title I ARRA	84.389A	28-09-A1-42	525,253	
Total Title I Cluster				2.328.473
Special Education Cluster:				
Grants to States (IDEA Part B)	84.027A	28-11-B1-42	687,683	
Grants to States (IDEA Part B) ARRA	84.391A	28-09-A1-42	404,302	
Preschool Grants (IDEA Preschool)	84.173A	28-11-P1-42	49,931	
Preschool Grants (IDEA Preschool) ARRA Total Special Education Cluster	84.392A	28-09-AP-42	2,854	1,144,770
Vocational Education:				1,177,170
Basic Grants to States	84.048	28-11-02-42		
Depth Chaire to Quarts	01.010	28-10-02-42		63,290
Title II - Improving Teacher Quality State Grants	84.367A	28-11-50-42		306,826
Title IV - Drug Free Schools and Communities State Grant	84.186A	28-10-70-42		3,117
21st Century Community Learning Centers	84,287	28097C42		•
		28083C42		
		2811C742		175,457
Education Jobs Fund ARRA	84.410A	28-11-EJ-42		417,523
Education Technology State Grants Cluster:				
Education Technology State Grants	84.31 8X	28-10-49-42	1,881	
Education Technology State Grants ARRA	84.386A	28-09-59-42		
		28-09-EH-42	9,249	
Total Education Technilogy Cluster				11,130
Rural Education Achievement Program (REAP)	84.35 8 B	28-11-RE-42		07 104
Total United States Department of Education		28-10-RE-42		87,498 4,538,084
United States Department of Health and Human Services				
Passed Through the Louisiana Department of Education:				
Temporary Assistance to Needy Families	93.558	28-11-36-42		
	93,558	28-11-JS-42		415,123
Prevention and Wellness State Grant -ARRA	93.723			13,738
United States Department of Defense				
Direct Programs:				
Department of the Army				
ROTC	12,609	LA21126		59,335
TOTAL FEDERAL AWARDS				\$ 6,789,303

Richland Parish School Board Notes to the Schedule of Expenditures of Federal awards For the Year Ended June 30, 2011

NOTE 1 -GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Richland Parish School Board, Rayville, Louisiana. The Richland Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

	Federal
	Sources
Major:	<u>-</u>
General	\$ 59,335
Title I	2,328,473
Nonmajor Special Revenue:	•
Title II	306,826
Special Education	1,091,985
Drug Free Schools	3,117
Vocational/JAG Grants	213,290
Technology Grants	11,130
Preschool	52,785
Twenty First Century	175,457
Rural Education Achievement Program (REAP)	87,498
School Food Service	1,763,023
LA4 TANF	265,123
Education Jobs	417,523
Miscellaneous Funds	13,738_
Total	\$ 6,789,303

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

PART I - Summary of the auditors' results

Financial statement audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was not considered a material weakness.
- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were three significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed three audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal awards are:

Special Education Cluster:

Grants to States (Part B)	CFDA #84.027A
Grants to States (Part B) ARRA	CFDA #84.391A
Preschool Grants	CFDA #84.173A
Preschool Grants (ARRA)	CFDA #84.392A

Title I Cluster:

Title I Basic Grant Program	CFDA #84.010A
Title I ARRA	CFDA #84.389A

Child Nutrition Cluster:

School Breakfast Program	CFDA #10.553
National School Lunch Program	CFDA #10.555
Summer Food Service Program	CFDA #10.559

Temporary Assistance for Needy Families	CFDA #93.558
Education Jobs (ARRA)	CFDA #84.410A
Fresh Fruit and Vegetable Program	CFDA #10.582

- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

Part II — Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 11-F1 Student Activity Funds

Entity-wide or program/department specific: This finding is specific to student activity funds.

<u>Criteria or specific requirement</u>: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

<u>Condition found</u>: In reviewing eleven school audits completed by an external auditor for the School Board the following schools appear to exhibit significant deficiencies over internal control for receipts and disbursements:

Rayville High School:

- Three receipts did not have adequate evidence to indicate control over money received
- Two receipts were not deposited timely
- One disbursement did not have adequate evidence of receipt
- One disbursement was made without proper documentation
- One check included the late payment for two invoices
- One check was used to pay for several purchases where the school purpose was not easily determinable
- One check included a duplicate payment of an invoice
- One check was used to pay an LHSAA fine

Delhi High School:

- Three receipts were deposited late
- Eleven receipts did not have adequate documentation to indicate control over receipts
- The gate start up money of \$300 from a football game could not be traced back to a deposit
- 33 of 35 invoices selected for testing were not properly canceled to prevent duplicate payment
- One check did not have the required two signatures
- Two checks were paid without evidence of receipt of the goods
- One check did not agree with the invoice amount and two checks for which there was no evidence of receipt
 also did not have an invoice to determine if the invoice and check amounts agreed and one check was written
 for a track meet and was not made out to the appropriate party
- Two checks did not have appropriate documentation
- One check was used to refund a student with money received from a fundraiser

Mangham Elementary School:

- The school did not record the interest earned on the certificate of deposit
- One check was not properly cancelled to prevent duplicate payment
- One check did not have the required two signatures
- Two checks did not have evidence of receipt
- One check was not posted for the correct amount and two checks were not posted to the general ledger
- One check included the payment of sales tax in the amount of \$140.69

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Delhi Elementary School:

- · One receipt was not deposited in a timely manner
- One receipt did not have adequate supporting documentation
- One check did not have evidence of receipt, included payment for items which were not received and did not have proper documentation
- One check was used for late payment of an invoice and included payment for late charges of \$5.39

Mangham High School:

- Eleven checks were outstanding for over 90 days, including one check which had been outstanding for three
 years
- There were two instances where receipts of funds could not be traced to a deposit
- · Eight receipts were not deposited timely
- · One receipt was not posted to the general ledger
- Seven football gate reconciliations were not completed properly and eight receipts did not have proper documentation
- Seven invoices were not properly cancelled and had no evidence of receipt and, therefore, inadequate documentation
- Due to the lack of documentation of the seven checks noted above, it was not possible to determine if the payments were made timely
- Due to the lack of documentation, no determination could be made on the correct posting of one check
- One check was made to LHSAA for a fine and, due to lack of documentation, another check could not be determined to be reasonable and necessary or if it was an allowable expense.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal Controls over student activity funds are weakened.

Recommendations to prevent future occurrences: Management should continue to provide guidance to school bookkeepers on the importance of keeping accounting records accurate and current. School bookkeepers should ensure that all receipts and disbursements include proper documentation and that receipts are deposited timely.

Reference # and title: 11-F2 Theft of Local Funds

Entity-wide or program/department specific: This finding is specific to the central office.

<u>Criteria or specific requirement</u>: According to Louisiana Revised Statute 24:523, the School Board who has actual knowledge of any misappropriation of public funds shall notify, in writing, the Legislative Auditor and District Attorney of the Parish.

Condition found: During testing of internal controls and interviews with key personnel, it was noted that there was an incident of theft during the year. The incident occurred when driver's education funds were receipted and placed in the vault for deposit. The funds were missing the next day. The employee was confronted and confirmed the theft

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

but returned the funds later that day and was terminated. The School Board did not notify the Legislative Auditor nor the District Attorney of the incident.

Possible asserted effect (cause and effect):

Cause: The School Board was not aware that this incident was required to be reported.

Effect: Internal control over cash receipts is weakened and state compliance requirements were not met.

<u>Recommendations to prevent future occurrences</u>: The School Board should notify the Legislative Auditor and District Attorney for any known misappropriation of public funds.

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section (a):

Reference # and title: 11-F3 Highly Qualified Teachers

<u>Federal program and specific Federal award identification</u>: This finding relates to the Title I Cluster: Title I CFDA #84.010A and Title I ARRA; CFDA #84.389A from Federal Agency: United States Department of Education passed through the Louisiana Department of Education for award year 2011 and 2010 respectively.

<u>Criteria or specific requirement</u>: Section 1119 of the No Child Left Behind Act (NCLB) requires all teachers teaching core subject academic areas must meet specific competency and educational requirements. For Louisiana teachers, this requires a valid teaching certificate through the State of Louisiana or a valid teaching certificate from another state, proof of competency in the form of the PRAXIS test or other approved source of competency, and a degree in their area of teaching.

Condition found: During the test of new hires, we discovered one teacher hired to teach at a Title I school who was teaching based upon an out of state certificate. A search of the Teach Louisiana website revealed that there was no active teaching certificate issued by the Louisiana Department of Education based upon an out of state teaching certificate and a search of the Department of Education in the state where the teacher was said to have a valid teaching certificate indicated no such valid certificate. Based upon this information, it is determined that the teacher does not meet the requirements of a highly qualified teacher. At the time of our testing, the teacher had been in the teaching position for 14 months and there was no indication in the file that the situation had been remedied.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The School Board has not met the requirements for hiring only highly qualified teachers for Title I schools.

<u>Recommendations to prevent future occurrences</u>: The School Board should take steps to ensure that only highly-qualified teachers are hired for positions at Title I schools or should ensure that the hiring of the teacher falls into the State's plan submitted to and approved by the United States Department of Education.

Reference # and title: 11-F4 Free and Reduced Meal Verifications

<u>Federal program and specific Federal award identification</u>: This finding relates to the Child Nutrition Cluster: National School Lunch Program CFDA #10.555, School Breakfast Program CFDA #10.553, and Summer Food Service Program CFDA #10.559 from Federal Agency: United States Department of Agriculture passed through the Louisiana Department of Education for the award year 2011.

<u>Criteria or specific requirement</u>: For those agencies which have greater than a 20% non-response rate for verifications, the Child Nutrition program is to verify 3% of those applications and direct-certified applications which are error-prone (within \$100 of the income requirement to qualify for free or reduced meals). In addition, good record-keeping requires that supporting documentation be maintained to act as support for reports and information provided to state and federal agencies for possible audits or desk reviews.

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section (a):

Condition found: During the testing of the verification process it was determined that there were verifications sent out which exceeded the required percentage of applications/direct certifications. In addition, there was no documentation to support the verification numbers. Because there are entries made to the software after the issuance of the report which affect the numbers of students in each category, it was not possible to trace the data reported to any report which mirrored the information reported.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The increase in the number of verifications sent out could affect the non-response rate for future verifications and a lack of support weakens the reporting process.

<u>Recommendations to prevent future occurrences</u>: The program director should ensure that only the required number of applications/direct certifications are chosen for testing and should ensure that the documentation used to support these applications chosen is kept to support the selection process.

Reference # and title: 11-F5 JAG Reporting

<u>Federal program and specific Federal award identification</u>: This finding relates to the Temporary Assistance to Needy Families Program, specifically the Jobs for American Graduates (JAG) grant, CFDA #93.558 from Federal Agency: United States Department of Health and Human Services passed through the Louisiana Department of Education for the award year 2011.

<u>Criteria or specific requirement</u>: A requirement of the JAG grant is that students meet or exceed a specified number of barriers to success which are established by the JAG program. In addition, in order to be accepted into the program the student must have a signed parental consent form.

<u>Condition found</u>: A sample of ten students were chosen from the IAG rosters to determine if the number of barriers reported could be verified from the student records and to confirm that the signed parental consent forms were on file. Five of the ten student files had listings of barriers which did not match the number of barriers reported or the barriers listed in the files were not the same barriers reported. Furthermore, three of the files did not contain a signed parental consent form.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The program controls over reporting and record-keeping are weakened.

<u>Recommendations to prevent future occurrences</u>: The program director should ensure that proper documentation is kept in the student files and that the information reported regarding barriers matches the information on file.

Richland Parish School Board

Other Information

Richland Parish School Board Summary Schedule of Prior Year Audit Findings and Questioned Costs For Year Ended June 30, 2011

Reference # and title: 10-F1 Audit Adjustments

Origination date: This finding originated fiscal year ended June 30, 2010.

<u>Condition</u>: Good internal controls should include procedures to ensure that the School Board's financial transactions are recorded and reported properly. This would include, but not be limited to, recording federal revenue in the proper accounts, properly recording pensions expenses paid, and reviewing all accounts so that errors can be mitigated in a timely manner.

During the testing of revenue, it was noted that the School Board had recorded the ad valorem revenue at the net amount instead of the gross amount. The School Board did not record the portion of ad valorem revenue that was withheld for pension. It was also noted in the testing of revenue that the School Board incorrectly recorded federal revenue for commodities. The School Board included processing fees for commodities as federal revenue. It was further noted that the School Board incorrectly recorded the federal revenue received for the fresh fruits and vegetables program. The School Board recorded the revenue received for this program in the expense account instead of recording it as federal revenue.

Corrective action taken: This finding is considered cleared.

Reference # and title: 10-F2 Student Activity Funds

Origination date: This finding originated fiscal year ended June 30, 2010.

<u>Condition</u>: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

In reviewing eleven school audits completed by an external auditor over the student activity funds for the School Board, the following schools appear to exhibit significant deficiencies over internal control for receipts and disbursements:

Rayville High School:

- Four receipts did not have adequate evidence to indicate control over money received
- · One receipt was deposited untimely
- · Two disbursements represented partial payments on a large invoice
- · One disbursement was made without proper documentation
- One check was written for benevolence out of the Tennis account
- One check was written as a gift to a faculty member and was paid out of the general fund

Rayville Jr. High School:

- Eight of the fifteen receipts tested did not have evidence to support adequate control over the receipt of cash
- · One deposit was made untimely
- No evidence of receipt of goods for one purchase
- Four disbursements were for start-up cash for athletics/concessions and the gate receipts did not list the start-up funds to support re-deposit of these funds
- Not able to determine if disbursements for two exceptions listed directly above were necessary and reasonable
- The external auditor over the student activity funds noted in their report "that a large purchase (pool table) was
 made on the school's Sam's credit card by the principal. The principal paid off the purchase over several
 months. No sales tax was paid on the purchase. This purchase violated state law as its effect was a short term

Richland Parish School Board Summary Schedule of Prior Year Audit Findings and Questioned Costs For Year Ended June 30, 2011

loan to the principal. In addition, no sales tax was paid on the purchase although the purchase should have been fully taxable. Interest was also incurred on the balance."

Delhi High School:

- · Three receipts were deposited late
- Eight receipts did not have adequate documentation to indicate control over receipts
- 21 of 35 invoices selected for testing were not properly canceled to prevent duplicate payment
- Five checks were paid without evidence of receipt of the goods
- · One check was written to cover only one-half of an invoice
- One invoice included \$26 of late fees and one invoice included \$0.99 of sales tax

Mangham High School:

- Three receipts were not deposited timely
- Four checks in a sample of 35 only had one signature
- · Five checks did not have adequate evidence of receipt of goods
- No invoice could be located for one check
- · A duplicate payment was made for one invoice

Corrective action taken: See current year finding 11-F1.

Reference # and title: 10-F3 Procurement, Suspension and Debarment

Origination date: This finding originated fiscal year ended June 30, 2010.

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA #84.010A and Title I ARRA CFDA #84.389A, Special Education Cluster: Special Education IDEA Part B CFDA #84.027A, Special Education Preschool CFDA #84.173A, Special Education IDEA Part B ARRA CFDA #84.391A and Special Education Preschool ARRA CFDA #84.392A, Enhancing Education Through Technology Cluster: Enhancing Education Through Technology CFDA #84.318X and Enhancing Education Through Technology ARRA CFDA #84.386A and School Improvement Fund 1003 (g) CFDA #84.377A from Federal Agency: United States Department of Education passed through the Louisiana State Department of Education for award year 2010.

<u>Condition</u>: Federal regulations require that entities receiving federal funds should determine that the entity is not purchasing items or services from any vendor or individual that is considered suspended or debarred by the Federal Government. Therefore, the entity should verify through the EPLS system, collect a certification from the vendor or add a clause in the contract with the vendor ensuring that the vendor is not suspended or debarred.

When testing the procurement, suspension and debarment compliance requirement, it was noted that although the School Board purchases their significant items from the Louisiana State Contract they do not verify that the vendors they are purchasing from are not suspended or debarred.

Corrective action taken: This finding has been cleared in the current fiscal year.

Richland Parish School Board Summary Schedule of Prior Year Audit Findings and Questioned Costs For Year Ended June 30, 2011

Reference # and title: 10-F4 Reporting of TANF - Enrollment

Origination date: This finding originated fiscal year ended June 30, 2010.

<u>Federal program and specific Federal award identification</u>: This finding relates to Temporary Assistance for Needy Families Program, CFDA #93.558 from Federal Agency: United States Department of Health and Human Services passed through the Louisiana Department of Education for award year 2010.

<u>Condition</u>: The TANF - LA4 program requires that school districts report monthly the number of children that are present 90% of the school calendar month, which the program requires student attendance of 74% or above. The TANF - After-School for All program requires that school districts report the number of children that attend tutoring sessions each day on the STARS reporting system. Also, the After-School for All program requires the school district to have student attendance and retention of 75% or above on a monthly basis.

When testing enrollment reporting for the TANF-LA4 program and the TANF-After School For all program, the following was noted:

- In testing two of the enrollment data reports, it was noted that the School Board is not calculating the 90% attendance consistently and correctly. There were 4 exceptions out of 8 tested, in which the number of students attending 90% of the time did not agree to the support. Additionally, it was noted that the JPAM system is not always updated to reflect properly the absentee's excuses.
- In testing two weeks of STARS reporting information for both the elementary school and the high school, it was noted that the attendance records on the STARS reporting system did not agree to the student sign-in sheets for those days. When reviewing the student sign-in sheets for the month of January 2010, it was noted that the sign-in sheets do not indicate actual arrival and departure times to properly document student contact hours. Also, when reviewing the STARS report for the month of January 2010, it was noted that the school district is not meeting the student attendance and retention requirement of 75% or above on a monthly basis.

Corrective action taken: This finding has been cleared in the current fiscal year.

Reference # and title: 11-F1 Student Activity Funds

Entity-wide or program/department specific: This finding is specific to student activity funds.

<u>Condition</u>: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

In reviewing eleven school audits completed by an external auditor for the School Board the following schools appear to exhibit significant deficiencies over internal control for receipts and disbursements:

Rayville High School:

- Three receipts did not have adequate evidence to indicate control over money received
- Two receipts were not deposited timely
- One disbursement did not have adequate evidence of receipt
- One disbursement was made without proper documentation
- One check included the late payment for two invoices
- One check was used to pay for several purchases where the school purpose was not easily determinable
- One check included a duplicate payment of an invoice
- One check was used to pay an LHSAA fine

Delhi High School:

- Three receipts were deposited late
- Eleven receipts did not have adequate documentation to indicate control over receipts
- The gate start up money of \$300 from a football game could not be traced back to a deposit
- 33 of 35 invoices selected for testing were not properly canceled to prevent duplicate payment
- One check did not have the required two signatures
- Two checks were paid without evidence of receipt of the goods
- One check did not agree with the invoice amount and two checks for which there was no evidence of receipt
 also did not have an invoice to determine if the invoice and check amounts agreed and one check was written
 for a track meet and was not made out to the appropriate party
- Two checks did not have appropriate documentation
- One check was used to refund a student with money received from a fundraiser

Mangham Elementary School:

- The school did not record the interest earned on the certificate of deposit
- One check was not properly cancelled to prevent duplicate payment
- One check did not have the required two signatures
- Two checks did not have evidence of receipt
- One check was not posted for the correct amount and two checks were not posted to the general ledger
- One check included the payment of sales tax in the amount of \$140.69

Delhi Elementary School:

- One receipt was not deposited in a timely manner
- One receipt did not have adequate supporting documentation
- One check did not have evidence of receipt, included payment for items which were not received and did not have proper documentation

One check was used for late payment of an invoice and included payment for late charges of \$5.39

Mangham High School:

- Eleven checks were outstanding for over 90 days, including one check which had been outstanding for three
 vears
- There were two instances where receipts of funds could not be traced to a deposit
- Eight receipts were not deposited timely
- One receipt was not posted to the general ledger
- Seven football gate reconciliations were not completed properly and eight receipts did not have proper documentation
- Seven invoices were not properly cancelled and had no evidence of receipt and, therefore, inadequate documentation
- Due to the lack of documentation of the seven checks noted above, it was not possible to determine if the
 payments were made timely
- Due to the lack of documentation, no determination could be made on the correct posting of one check
- One check was made to LHSAA for a fine and, due to lack of documentation, another check could not be determined to be reasonable and necessary or if it was an allowable expense.

<u>Corrective action planned</u>: The School Board will provide continued training to School Principals and staff to ensure SAF are maintained properly.

Person responsible for corrective action plan:

Sheldon Jones, Superintendent Telephone: 318-728-5964
P. O. Box 599 Fax: 318-728-6366
Rayville, LA 71269-0599

Anticipated completion date: Immediately.

Reference # and title: 11-F2 Theft of Local Funds

Entity-wide or program/department specific: This finding is specific to the central office.

<u>Condition</u>: According to Louisiana Revised Statute 24:523, the School Board who has actual knowledge of any misappropriation of public funds shall notify, in writing, the Legislative Auditor and District Attorney of the Parish.

During testing of internal controls and interviews with key personnel, it was noted that there was an incident of theft during the year. The incident occurred when driver's education funds were receipted and placed in the vault for deposit. The funds were missing the next day. The employee was confronted and confirmed the theft but returned the funds later that day and was terminated. The School Board did not notify the Legislative Auditor nor the District Attorney of the incident.

<u>Corrective action planned</u>: The School Board will notify the LLA and the District Attorney for any known misappropriation of funds in the future.

Person responsible for corrective action plan:

Sheldon Jones, Superintendent Telephone: 318-728-5964 P. O. Box 599 Fax: 318-728-6366

Rayville, LA 71269-0599

Anticipated completion date: Immediately.

Reference # and title: 11-F3 Highly Qualified Teachers

<u>Federal program and specific Federal award identification</u>: This finding relates to the Title I Cluster: Title I CFDA #84.010A and Title I ARRA; CFDA #84.389A from Federal Agency: United States Department of Education passed through the Louisiana Department of Education for award year 2011 and 2010 respectively.

<u>Condition</u>: Section 1119 of the No Child Left Behind Act (NCLB) requires all teachers teaching core subject academic areas must meet specific competency and educational requirements. For Louisiana teachers, this requires a valid teaching certificate through the State of Louisiana or a valid teaching certificate from another state, proof of competency in the form of the PRAXIS test or other approved source of competency, and a degree in their area of teaching.

During the test of new hires, we discovered one teacher hired to teach at a Title I school who was teaching based upon an out of state certificate. A search of the Teach Louisiana website revealed that there was no active teaching certificate issued by the Louisiana Department of Education based upon an out of state teaching certificate and a search of the Department of Education in the state where the teacher was said to have a valid teaching certificate indicated no such valid certificate. Based upon this information, it is determined that the teacher does not meet the requirements of a highly qualified teacher. At the time of our testing the teacher had been in the teaching position for 14 months and there was no indication in the file that the situation had been remedied.

<u>Corrective action planned</u>: The School Board will take steps to ensure that only highly qualified teachers will be hired for positions at Title I schools and will ensure that the hiring of teachers falls into the State's plan submitted to and approved by the United States Department of Education.

Person responsible for corrective action plan:

Sheldon Jones, Superintendent Telephone: 318-728-5964 P. O. Box 599 Fax: 318-728-6366

Rayville, LA 71269-0599

Anticipated completion date: Immediately.

Reference # and title: 11-F4 Free and Reduced Meal Verifications

<u>Federal program and specific Federal award identification</u>: This finding relates to the Child Nutrition Cluster: National School Lunch Program CFDA #10.555, School Breakfast Program CFDA #10.553, and Summer Food Service Program CFDA #10.559 from Federal Agency: United States Department of Agriculture passed through Louisiana Department of Education for the award year 2011.

<u>Condition</u>: For those agencies which have greater than a 20% non-response rate for verifications, the Child Nutrition program is to verify 3% of those applications and direct-certified applications which are error-prone (within \$100 of

the income requirement to qualify for free or reduced meals). In addition, good record-keeping requires that supporting documentation be maintained to act as support for reports and information provided to state and federal agencies for possible audits or desk reviews.

During the testing of the verification process it was determined that there were verifications sent out which exceeded the required percentage of applications/direct certifications. In addition, there was no documentation to support the verification numbers. Because there are entries made to the software after the issuance of the report which affect the numbers of students in each category, it was not possible to trace the data reported to any report which mirrored the information reported.

<u>Corrective action planned</u>: The Program Director will take steps to ensure that adequate supporting documentation is maintained.

Person responsible for corrective action plan:

Sheldon Jones, Superintendent Telephone: 318-728-5964 P. O. Box 599 Fax: 318-728-6366

Rayville, LA 71269-0599

Anticipated completion date: Immediately.

Reference # and title: 11-F5 JAG Reporting

<u>Federal program and specific Federal award identification</u>: This finding relates to the Temporary Assistance to Needy Families Program, specifically the Jobs for American Graduates (JAG) grant, CFDA #93.558 from Federal Agency: United States Department of Health and Human Services passed through the Louisiana Department of Education for the award year 2011.

<u>Condition</u>: A requirement of the JAG grant is that students meet or exceed a specified number of barriers to success which are established by the JAG program. In addition, in order to be accepted into the program the student must have a signed parental consent form.

A sample of ten students were chosen from the JAG rosters to determine if the number of barriers reported could be verified from the student records and to confirm that the signed parental consent forms were on file. Five of the ten student files had listings of barriers which did not match the number of barriers reported or the barriers listed in the files were not the same barriers reported. Furthermore, three of the files did not contain a signed parental consent form.

<u>Corrective action planned</u>: The Program Director will take steps to ensure that adequate supporting documentation is maintained in student file and that the barriers are reported correctly as to the information on file.

Person responsible for corrective action plan:

Sheldon Jones, Superintendent Telephone: 318-728-5964 P. O. Box 599 Fax: 318-728-6366

Rayville, LA 71269-0599

Anticipated completion date: Immediately.



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Cindy Thomason, CPA

Errent I. Allca, CPA (Retired) 1963 - 2000

Management Letter

Board Members Richland Parish School Board Rayville, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish School Board for the year ended June 30, 2011 we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 30, 2011, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's responses is summarized as follows:

11-M1 Documentation of Cash Receipts

Comment: During the testing of deposits, we noted that none of the items received through the School Boards pony (inter-mail) system was recorded in any receipt log. It was further noted that the money order log is shredded after a three-month period so we were not able to test the money orders related to the deposits tested

<u>Recommendation</u>: All receipts should be recorded no matter the source or method of payment in order to ensure deposits are complete and accurate

<u>Management's response:</u> The School Board has taken steps to ensure that all involved personnel are aware of correct procedures to log checks upon receipt.

11-M2 Bank Reconciliations

<u>Comment:</u> During the testing of eight bank reconciliations, it was noted that two of the eight bank reconciliations were not prepared timely.

<u>Recommendation:</u> All bank reconciliations should be performed within thirty days of the receipt of the bank statements to ensure proper recording of revenues and expenditures and that any errors are discovered in a timely manner.

Management's response: The School Board will maintain adequate documentation to show original reconciliation date if errors are corrected. The School Board will also ensure all reconciliations are prepared promptly.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2011 which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

This report is intended solely for the information and use of the School Board, management, others within the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Seen, & Williamson, LRP

Monroe, Louisiana December 30, 2011

ALLEN, GREEN & WILLIAMSON, LLP



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> > Ernest L. Allen, CPA (Retired) 1963 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members Richland Parish School Board Rayville, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Richland Parish School Board, Rayville, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

- We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: There were two exceptions noted where the experience level reported for a classroom teacher was incorrect when compared to the personnel file.

Management's Response: The School Board will take steps to ensure individual education levels are classified correctly.

Number and Type of Public Schools (Schedule 3)

 We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: Several exceptions were noted as a result of applying agreed upon procedures. Eleven exceptions were noted in which the employees Summer school & Tutoring pay was included in extra pay instead of base pay. Twelve exceptions were noted related to FTE calculations. Eleven instances were noted in which annual minutes and hours

Management's Response: Reports were prepared considering summer school and tutoring as extra pay, in the future reports will reflect this type of pay as part of base salary.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

We were not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Richland Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

allen, Freen & Williamson, XRP

Monroe, Louisiana December 30, 2011

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources For the Year Ended June 30, 2011

General Fund Instructional and Equipment Expenditures				
General Fund Instructional Expenditures:				
Teacher and Student Interaction Adjuites:				
Classroom Teacher Salaries	\$	11,441,631		
Other Instructional Staff Activities	•	1,123,958		
Employee Benefits		5,193,950		
Purchased Professional and Technical Services		255,593		
Instructional Materials and Supplies		200,093 403,935		
Instructional Equipment		-		
Total Teacher and Student Interaction Activities		7,406		10 100 170
rofat teacher alid 2000stt tricescribtt voltavies			\$	18,426,473
Other Instructional Activities				185,766
Pupil Support Activities		1,177,178		
Less: Equipment for Pupil Support Activities		-		
Net Pupil Support Activities				1,177,178
Indicate Part Co.		4 805 555		
Instructional Staff Services		1,307,280		
Less: Equipment for instructional Staff Services		1,326		
Net Instructional Staff Services				1,305,954
School Administration		2,426,262		
Less: Equipment for School Administration		21,137		
Net School Administration		21,131		2 405 425
1461 OCHOO LANIBRAGEBROIT				2,405,125
Total General Fund Instructional Expenditures			\$	23,500,496
Total General Fund Equipment Expenditures			\$	270,261
Certain Local Revenue Sources				
Local Taxation Revenue:				
Constitutional Ad Valorem Taxes			\$	1,200,059
Renewable Ad Valorem Tax			•	1,185,237
Debt Service Ad Valorem Tax				1,977,807
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes				114,995
Sales and Use Taxes				5,868,645
Total Local Taxation Revenue			\$	10,344,743
Land Fastings on Investment in Deal Property				
Local Earnings on Investment in Real Property:			_	74 844
Earnings from 16th Section Property			\$	70,865
Earnings from Other Real Property				70.005
Total Local Earnings on Investment in Real Property			<u> </u>	70,865
State Revenue in Lieu of Taxes:				
Revenue Sharing - Constitutional Tax		•	\$	190,639
Revenue Sharing - Other Taxes				-
Revenue Sharing - Excess Portion				-
Other Revenue in Lieu of Taxes				-
Total State Revenue in Lieu of Taxes			\$	190,639
Nonpublic Textbook Revenue			*	0.450
Nonpublic Transportation Revenue			<u> </u>	2,453
мопровис такеропалов кечение			<u> </u>	

Education Levels of Public School Staff As of October 1, 2010

	Full-	lime Class	room Teac	hers	Princi	pals & Ass	istant Princ	cipals
	Certifi	cated	Uncerti	ficated	Certifi	cated	Uncerti	ficated
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0.00	0.00	1.00	0.38	0.00	0.00	0.00	Đ. D D
Bachelor's Degree	140.28	53.36	12.23	4.65	0.96	0.37	0.00	0.00
Master's Degree	55.56	21.14	1.00	0.38	3.71	1.41	0.00	0.00
Master's Degree + 30	35.17	13.38	0.00	0.00	10.94	4.16	0.00	0.00
Specialist in Education	0.03	0.01	0.00	0.00	1.00	0.38	0.00	0.00
Ph. D. or Ed. D.	0.00	0.00	0.00	0.00	1.00	0,38	0.00	0.00
Total	231.04	87.89	14,23	5,41	17.61	6,70	0.00	0.00

Number and Type of Public Schools For the Year Ended June 30, 2011

Туре	Number
Elementary	5
Middle/Jr. High	3
Secondary	3
Combination	0
Total	11

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers As of October 1, 2010

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0.00	0.00	0.00	2.68	0.99	0.90	1.04	5.61
Principals	0.00	0.00	0.00	2.00	2.00	2.00	6.00	12.00
Classroom Teachers	20.00	30.00	64.39	25.27	31.32	25.65	48.64	245.27
Total	20.00	30.00	64.39	29.95	34.31	28.55	55.68	262.88

Public School Staff Data: Average Salaries For the Year Ended June 30, 2011

Classroom Teachers Excluding ROTC, Rehired Retirees, and

	All Classroom Teachers	Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$ 50,96 1	\$50,872
Average Classroom Teachers' Salary Excluding Extra Compensation	\$49,218	\$49,136
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	248.36	235.30

Class Size Characteristics As of October 1, 2010

	Class Size Range											
	1 -	20	21 -	26	27 -	33	34+					
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number				
Elementary	28.88	391	7.83	106	1.62	22	0.22	3				
Elementary Activity Classes	3.25	44	1.18	16	0.30	4	0.22	3				
Middle/Jr. High	13.00	176	2.73	37	1.40	19	0.00	0				
Middle/Jr. High Activity Classes	2.44	33	0.30	4	0.44	6	0.15	2				
High	21.86	296	4.95	67	1.62	22	0.15	2				
High Activity Classes	4.21	57	0.44	6	0.22	3	0.15	2				
Combination	0.00	0	0.00	0	0.00	0	0.00	0				
Combination Activity Classes	0.00	0	0.00	0	0.00	0	0.00	0				

Louisiana Educational Assessment Program (LEAP) for the 21st Century For the Year Ended June 30, 2011 $\,$

District Achievement Level	l.	Er	ıglish Lar	nguage A	rts		Mathematics							
Results	20	11	20	110	2009		2011		2010		2009			
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 4		1												
Advanced	8	2%	14	4%	11	3%	17	5%	16	5%	5	1%		
Proficient	53	16%	44	13%	46	13%	48	14%	46	13%	34	10%		
Basic	142	43%	145	42%	137	39%	132	40%	150	43%	160	46%		
Approaching Basic	82	25%	80	23%	95	27%	73	22%	70	20%	82	24%		
Unsatisfactory	49	15%	66	19%	58	17%	64	19%	67	19%	66	19%		
Total	334	100%	349	100%	347	100%	334	100%	349	100%	347	100%		

District Achievement Level			Scle	ence			Social Studies							
Results	20	11	20	10	2009		20	2011		2010		09		
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 4														
Advanced	3	1%	5	1%	9	3%	6	2%	6	2%	2	1%		
Proficient	29	9%	34	10%	43	12%	41	12%	38	11%	30	9%		
Basic	132	39%	153	44%	134	39%	163	49%	152	43%	144	42%		
Approaching Basic	115	34%	103	29%	100	29%	67	20%	76	22%	83	24%		
Unsatisfactory	56	17%	56	16%	60	17%	5B	17%	79	23%	87	25%		
Total	335	100%	351	100%	345	100%	335	100%	351	100%	345	100%		

District Achievement Level		Er	glish Laı	nguage A	rts		Mathematics							
Results	2011		2010		2009		2011		2010		2009			
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 8														
Advanced	6	3%	1	0%	1	D%	8	4%	4	2%	17	7%		
Proficient	47	22%	38	17%	29	12%	11	5%	10	4%	23	10%		
Basic	100	46%	110	49%	124	53%	146	68%	154	69%	121	51%		
Approaching Basic	56	26%	66	30%	76	32%	32	15%	40	18%	53	22%		
Unsatisfactory	7	3%	В	4%	6	3%	19	9%	15	7%	22	9%		
Total	215	100%	223	100%	236	100%	216	100%	223	100%	236	100%		

District Achievement Level			Scie	nce					Social	Studies		
Results	2011		2010		20	2009		2011		2010		09
Students	Number	Percent										
Grade 8												
Advanced	4	2%	2	1%	2	1%	1	0%	3	1%	o	0%
Proficient	27	13%	17	8%	33	14%	17	8%	14	6%	18	8%
Basic	78	36%	108	48%	85	36%	93	43%	100	45%	105	44%
Approaching Basic	64	30%	81	36%	90	38%	67	31%	62	28%	70	30%
Unsatisfactory	43	20%	15	7%	26	11%	36	18%	44	20%	43	18%
Total	218	100%	223	100%	236	100%	216	100%	223	100%	236	100%

The Graduation Exit Exam for the 21st Century For the Year Ended June 30, 2011

District Achievement		E	nglish Lar	nguage A	rts		Mathematics							
Leve! Results	20	111	20	10	20	09	20	111	20	110	20	09		
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percen		
Grade 10														
Advanced	0	0%	4	2%	-	0%	4	2%	12	6%	9	5%		
Proficient	8	4%	16	8%	10	6%	19	11%	35	17%	17	10%		
Basic	79	44%	95	47%	85	51%	86	48%	99	49%	85	51%		
Approaching Basic	48	27%	58	28%	41	25%	28	16%	36	18%	33	20%		
Unsatisfactory	43	24%	31	15%	31	19%	41	23%	22	11%	23	149		
Total	178	100%	204	100%	167	100%	178	100%	204	100%	167	100%		

District Achievement	<u> </u>		Science				Social Studies							
Level Results	20	2011		10	20	109	2011		2010		2009			
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 11														
Advanced	7	3%	2	1%	2	1%	4	2%	. 0	0%	1	1%		
Proficient	26	13%	16	11%	17	10%	11	5%	11	8%	11	6%		
Basic	68	34%	60	43%	54	32%	81	40%	73	52%	65	38%		
Approaching Basic	53	26%	46	33%	57	34%	53	26%	40	28%	41	249		
Unsatisfa ctory	47	23%	17	12%	40	24%	52	26%	17	12%	52	319		
Total	201	100%	141	100%	170	100%	201	100%	141	100%	170	100%		

/LEAP Tests For the Year Ended June 30, 2011

District Achievement Level	English Lang	juage Arts	Mathen	natics	Scie	nce	Social	Studies
Results	201	1	201	1	20	11	20	11
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	1%	6	3%	6	3%	6	3%
Proficient	29	13%	25	11%	19	8%	22	9%
Basic	88	37%	91	39%	97	42%	107	46%
Approaching Basic	74	32%	64	28%	66	28%	44	19%
Unsatisfactory	41	18%	48	20%	44	19%	53	23%
Total	232	100%	232	100%	232	100%	232	100%

District Achievement Level	English Land	guage Arts	Mother	natics	Scie.	nce	Social Studies	
Results	201	1.	2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	2%	6	2%	6	2%	2	19
Proficient	24	9%	15	6%	20	8%	17	79
Basic	101	39%	122	47%	87	34%	124	48%
Approaching Basic	72	28%	54	21%	96	37%	55	21%
Unsatisfactory	56	22%	60	23%	48	19%	59	23%
Total	257	100%	257	100%	257	100%	257	100%

District Achievement Level	English Lang	puage Arts	Mathem	atics	Sclei	nce ear	Social Studies	
Rosuffs	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	5	2%	16	6%	10	4%	15	5%
Proficient	35	13%	37	14%	26	9%	31	11%
Basic	137	50%	150	55%	124	45%	112	41%
Approaching Basic	63	23%	41	15%	87	32%	60	22%
Unsatisfactory	35	13%	29	11%	28	10%	57	21%
Total	275	100%	273	100%	275	100%	275	100%

District Achievement Level	English Lang	wage Arts	Mathers	atics	Scler	100	Social 8	tudjes
Results	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	5	2%	5	2%	3	1%	2	19
Proficient	40	18%	27	12%	22	10%	14	6%
Basic	104	46%	127	56%	89	39%	110	48%
Approaching Basic	66	29%	45	20%	68	30%	52	23%
Unsatisfactory	12	5%	23	10%	45	20%	49	229
Total	227	100%	. 227	100%	227	100%	227	100%

District Achievement Level	English La	nguage Arts	Mathe	matics
Results	20	111	20	111
Students	Number	Percent	Number	Percent
Grade 9		<u> </u>		
Advanced				
Proficient			İ	
Bosic			[
Approaching Basic			ŀ	
Unsatisfactory				
Total				

Please note that the grade 9 *i*LEAP has been dropped by the Department of Education, everything at that level was moved to end of course testing. The Department of Education will be reviewing End of Course Testing and it's potential inclusion for Assurance purposes in time for the Assurance submissions next year.

District Achievement Level	English Lan	guage Arts	Mathen	natics	Scie	nce	Social Studies	
Results	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1%	6	2%	5	2%	4	1%
Proficient	41	15%	37	13%	35	12%	24	9%
Basic	125	44%	123	44%	113	40%	124	44%
Approaching Basic	55	20%	69	24%	89	32%	74	26%
Unsatisfactory	57	20%	47	17%	40	14%	56	20%
Total	282	100%	282	100%	282	100%	282	100%

District Achievement Level	English Lan	guage Arts	Mather	natics	Scie	nco	Social Studies	
Results	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	2%	10	4%	4	2%	1	0%
Proficient	29	12%	33	14%	26	11%	23	9%
Basic	111	46%	137	56%	102	42%	118	49%
Approaching Basic	68	28%	32	13%	82	34%	55	23%
Unsatisfactory	31	13%	31	13%	29	12%	46	19%
Total	243	100%	243	100%	243	100%	243	100%

District Achievement Level	English Lan	guage Arts	Mathen	natics	Science		Social Studies	
Results	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	2%	7	3%	2	1%	10	4%
Proficient	36	15%	20	8%	22	9%	26	11%
Basic	114	47%	151	63%	102	42%	120	50%
Approaching Basic	64	27%	40	17%	83	34%	53	22%
Unsatisfactory	23	10%	23	10%	32	13%	32	13%
Total	241	100%	241	100%	241	100%	241	100%

District Achievement Level	English Language Arts		Mather	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	Scie		Social Studies	
Results	20	10	20	10	201	10	2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	14	6%	13	6%	5	2%	1	0%
Proficient	61	28%	35	16%	51	24%	19	9%
Basic	91	42%	125	58%	97	45%	99	46%
Approaching Basic	44	20%	26	12%	48	22%	63	29%
Unsatisfactory	6	3%	17	8%	15	7%	34	16%
Ţota]	216	100%	216	100%	216	100%	216	100%

District Achievement Level	English Lang	guage Arts	Mathe	natics		
Results	201	0	2010			
Students	Number	Percent	Number	Percent		
Grade 9						
Advanced	0	0%	5	2%		
Proficient	13	6%	19	9%		
Basic	99	45%	110	50%		
Approaching Basic	81	37%	47	21%		
Unsatisfactory	27	12%	39	18%		
Total	220	100%	220	100%		

District Achievement Level	English Lang	guage Arts	Mathen	ratics	Scie	nce	Social Studies	
Results	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1%	4	1%	8	3%	0	0%
Proficient	38	13%	29	10%	37	13%	39	13%
Basic	105	35%	122	41%	96	32%	117	40%
Approaching Basic	72	24%	71	24%	100	34%	81	27%
Unsatisfactory	77	26%	70	24%	55	19%	. 59	20%
Total	296	100%	296	100%	296	100%	298	100%

District Achievement Level	English Lan	guage Arts	Mathen	atics	Science		Social S	tudies
Results	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0%	5	2%	2	1%	1	0%
Proficient	22	10%	12	5%	24	11%	18	8%
Basic	97	44%	101	45%	85	38%	101	45%
Approaching Basic	73	33%	49	22%	65	29%	65	29%
Unsatisfactory	29	13%	55	25%	46	21%	37	17%
Total	222	100%	222	100%	222	100%	222	100%

District Achievement Level	English Lan	guage Arts	Mathem	atics	Scien	ice	Social Studies	
Results	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6							-	
Advanced	6	3%	5	2%	3	1%	13	6%
Proficient	33	15%	35	16%	25	12%	20	9%
Basic	118	55%	129	60%	95	44%	95	44%
Approaching Basic	34	16%	19	9%	65	30%	50	23%
Unsatisfactory	23	11%	26	12%	26	12%	36	17%
Total	214	100%	214	100%	214	100%	214	100%

District Achievement Level Results	English Language Arts 2009		Mathematics 2009		Science 2009		Social Studies 2009	
Grade 7								
Advanced	6	3%	6	3%	3	1%	2	19/
Proficient	32	14%	26	12%	26	12%	34	15%
Basic	111	50%	121	55%	101	45%	105	47%
Approaching Basic	53	24%	47	21%	58	26%	55	25%
Unsatisfactory	20	9%	22	10%	34	15%	26	12%
Total	222	100%	222	100%	222	100%	222	100%

District Achievement Level	English Lang	juage Arts	Mathematics 2009		
Results	200	9			
Students	Number	Percent	Number	Percent	
Grade 9					
Advanced	5	2%	7	3%	
Proficient	23	9%	30	12%	
Basic	104	43%	119	49%	
Approaching Basic	87	36%	48	20%	
Unsatisfactory	24	10%	39	16%	
Total	243	100%	243	100%	